On page 53, line 2, decrease the amount by $181,000,000.

On page 53, line 3, decrease the amount by $174,000,000.

On page 53, line 5, decrease the amount by $181,000,000.

On page 53, line 6, decrease the amount by $181,000,000.

On page 53, line 8, decrease the amount by $181,000,000.

On page 53, line 9, decrease the amount by $181,000,000.

Mr. KYL. Madam President, I suggest the absence of a quorum, and I ask unanimous consent that the quorum time be charged to each side equally.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. WELLSTONE. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. I ask unanimous consent to have 2 minutes to speak as in morning business on a bill I am introducing.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. WELLSTONE. Madam President, I ask unanimous consent that Marty Gensler be permitted privileges of the floor for the duration of the debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. Madam President, I thank the Chair.

(The remarks of Mr. WELLSTONE, pertaining to the introduction of S. 1786, are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. WELLSTONE. I yield the floor.

I suggest the absence of a quorum.

Mr. EXON. Madam President, I amend the request for the quorum call with the proviso that the time be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. WELLSTONE. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCURRENT RESOLUTION ON THE BUDGET

The Senate continued with the consideration of the concurrent resolution.

Mr. WELLSTONE. Madam President, I thought since we are in a quorum call I might just briefly summarize since time is being charged to both sides—and this will be charged to our side—several amendments that I have introduced just to focus colleagues' attention on those amendments.

The PRESIDING OFFICER. Does the Senator from Nebraska yield time?

Mr. EXON. How much time does the Senator from Minnesota need?

Mr. WELLSTONE. Five minutes.

Mr. EXON. I yield 5 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

AMENDMENT NO. 3985

Mr. WELLSTONE. Madam President, I actually laid down these amendments on Friday. But I thought since we have a quorum call and time is being charged to both sides—this charged to our side—I want to focus attention on several of the amendments that I laid down Friday. One of those amendments which was a leadership amendment—and I compliment the Chair for her very, very important work dealing with higher education—was an amendment that I introduced as a sense of a Senate that any tax cuts beyond tax credits for children and families ought to go for an annual up to $10,000 deduction that families can take to help pay for the cost of higher education, and that would include tuition, and also the interest that families find themselves paying on the debt.

That interest is extremely important because now, unfortunately, as opposed to at least when I went to school, about 80 percent of the financial aid packages are now loans as opposed to grants. It used to be quite different. It has flip-flopped in the last 15 years, or so. I hope that this money will go to higher education making it more affordable for families, or it has to go to deficit reduction.

I hope that this amendment really will receive strong bipartisan support. I laid the amendment down as an education Senator. Most of my adult life has been devoted to education. I laid this amendment down as a leadership amendment for my party. But, frankly, I think this is an amendment that is important to the Democrats and Republicans alike. Since we are going to have a rapid succession of votes on lots of amendments, I just wanted one more time to focus attention on this amendment.

AMENDMENT NO. 3987

The second amendment that I might talk about very briefly was an amendment that I introduced at the beginning of 104th Congress and, frankly, I regret that it was passed finally on a voice vote. It just simply said that the Senate was taking the position that we would not pass any legislation that would create more hunger or homelessness among children. I actually lost on the vote on that amendment twice, and then it was passed by a voice vote. But given some of the budget proposals and given some of the, I think, fairly rigorous independent studies that have taken place suggesting that as a matter of fact we are in part taking some actions that will create more poverty among children, this time around I want to get a recorded vote.

AMENDMENT NO. 3986

A third amendment I introduced, which is one that the Senator from Delaware has actually taken the lead on, just simply said that we ought to make a commitment that we will provide the full funding called for in the community police program—the COPS Program.

I have to say to you, Madam President, that I have never received more positive reports with any Federal program in Minnesota than the COPS Program. A one-page form filled out by COPS going to Washington with money coming directly back to police chiefs and sheriffs used for really fine proactive preventive, important—not feel-good law enforcement—a real focus on domestic violence, a real focus on some of the neighborhoods most ravished by violence in our cities, and a real focus on youth, on some of the kids that are in the most trouble, not exclusive just to cities but in rural communities as well. So I hope that there will be very, very strong support for that.

AMENDMENT NO. 3989

And then finally one other amendment that I want to talk about very briefly—one that my colleagues are probably less familiar with but I think it is an important amendment. And again, the Chair has taken real leadership on this. This issue has become unfortunately a more important issue in this country, and this issue deals with the central importance of our taking the steps that we need to take as a nation to reduce violence in homes.

This amendment says that in the welfare reform we do we must allow States to take into account the special circumstances of a mother and her children who have been in homes where there has been violence; who have been battered. In other words, one size does not fit all. And my fear is that, if we are not careful, what we are going to do in the welfare reform area is we are going to be essentially saying to a mother that you have to work, and if you do not work that is it, without taking into account what has happened to her.

Remember. It took Monica Seles 2 years to play tennis again after what happened to her. What is going to happen is we are going to force some of the women and children back into very dangerous homes? We have to take into account these circumstances. There have been several studies. The Taylor Institute came out with a study suggesting that a shockingly high percentage of welfare mothers in welfare to workfare programs right now have had to deal with this violence. So we must take that into account in the welfare reform area.

I have used up my time. I yield the floor.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

AMENDMENT NO. 3985

Mr. BIDEN. I ask unanimous consent that I be able to proceed for up to 5 minutes on an amendment No. 3985.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BIDEN. Thank you, Madam President.

Madam President, this is the amendment to which the Senator from Minnesota spoke relating to the tax deductibility for up to $10,000 for higher education payments. A number of us have introduced separate—and some together—bills and sense-of-the-Senate resolutions to accomplish just that.

The President I believe in his State of the Union called for such treatment. I would just like to reiterate what my friend from Minnesota said.

First of all, this is only a resolution. I wish it were an up-or-down vote on a legislative initiative to change the tax law to allow parents and/or students to deduct up to $10,000 of the costs of a college education. That is the cost which most people are focusing in on. But, it is not just 4-year colleges. It can be a 2-year college. It can be a postgraduate undertaking.

I hear my friends—and I know that the Presiding Officer is younger than I am but we are not that very far off, the four of us on the floor here—I hear people of our generation say how they worked their way through college. I worked my way through college. I was able to get some financial help and some scholarship money as well as help from my parents. But I worked my way through college. But do you know what? The minimum wage was $1.25 cents, and the total cost to attend our State university, the University of Delaware, was $325 a semester for tuition. You could work your way through college if you were willing to work.

It always fascinates me when I hear people my age—I am now 53—talk about, ''Why don't they do what we did—work our way through school?'' because now the minimum wage is under $4.50 an hour. And to go to that same great university, my alma mater, is going to cost them about $6,000 if they are an in-State student. If you are unfortunate enough to have children like many of us do here who decide—and are able—to go to an institution other than the State institution which I attended, you will find that their tuition and room and board is $25,000 a year, if they go to Georgetown University, which one of my sons attended, or to Yale where another son is. That is $25,000 a year. We do not all go there. Most of us, as in my case, could not get there.

I am very proud of my State university, and proud of having gone there. But the truth of the matter is when my dad and mom were helping me get there, and I was working my way through, the median family required only something on the order of less than 3 to 4 percent of its income to send someone to college. Now we are talking about almost 9 to 10 percent. If they are going to go to a private institution, it can be well over 50 percent.

So you cannot work your way through college any more in 4 years on a minimum-wage job. You cannot do it.

So an awful lot of students, including even many of our children—and we are in relative terms more affluent than the average American—have loans. My colleague, the former professor, knows more about this than I do. I heard him quote the statistic that we have flipped. It used to be that most of the money people got to go to college were grants, and a minority were loans. Now they are almost all loans and a minority are grants.

I realize, even if this resolution passes, it is not going to change the law. But maybe it will put us on record of doing something that is long overdue, just as we give businesses a tax break for investing in new machinery and new plant and equipment because it generates economic growth—I ask unanimous consent to proceed for 2 more minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BIDEN. It is sound policy to say to a business that, ''If you invest in this new piece of machinery, it will increase productivity, you will end up hiring more people, and it will generate income.'' That is going to increase the economic growth of the Nation. It makes sense to do that. Well, there is nothing that increases the economic growth of this Nation more than investing in the higher education of our children.

It is getting increasingly difficult for young men and women like me who come from a middle-income household—I guess technically lower middle-income, but a middle-income household—to be able to go off to college.

It is just getting very, very, very hard. If my father were making the money he made then now, he would be making about $34,000 a year, if I am not mistaken. He had four children he sent to college. How do you send four children to the State university—the State university—on $34,000 a year? My father, it seems to me, and my mother and their counterparts today—my dad is now 80—think that college education is the single most important legacy, other than our religion, other than our Catholicism, in my case. The single most important thing my parents wanted to leave with me was to have a college education, which they did not have.

It is getting awfully hard for people to do it. I think this is a sound investment. I think it is just. I know it is almost oratory if it is only a resolution, but it increases the prospects that we will find the wherewithal to go on record and actually change the law.

So I thank my colleagues for their indulgence. I thank my friend from Minnesota for his leadership. I realize he says this is bipartisan. I heard this idea generated from my Republican colleagues as well as my Democratic colleagues. I thank the Chair. I yield the floor.

Mr. WELLSTONE. Madam President, in just 10 seconds, I want to say I was really remiss in the beginning when I laid down the amendment in not saying that it was on behalf of myself and Senator BIDEN. I am really proud to have him out here on the floor speaking about this.

I was just going to say to my colleague from Delaware that if you think about the economics of this, this becomes the sort of central middle-class issue, working-family issue, because really what happens is, those students who can get the grant assistance tend to be the lower income students, and then if you are in the very high-income end, you can pay your way. But it is those families in between that are really feeling the squeeze. He is so right on the mark.

The only other point I will make, Madam President, which is why I hope this is adopted as a statement before the Senate, I spent a great deal of time on campus. It takes a student on the average of 6 years—it is getting up near 7 years—and that is because they are working two and three minimum-wage jobs. Most students are working 30, 45 hours a week while they are going to school.

The other thing to add to the equation, which is very different than when we went to school, because we are similar in age, is that the students now are no longer 18 and 19 and living in the dorm. I think the majority of students now, if not the majority just about close to the majority of students are 30, 40, 45, 50, going back to school, many of them women, many of them with children. As a matter of fact, this is one of the ways in which many families get back on their feet. So those students who really have children feel this economic squeeze as well.

I think this is just a critical vote, and I hope we will have a strong vote for it.

I yield the floor and suggest the absence of a quorum and ask that the time be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. EXON. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Madam President, I am about to yield whatever time he may need from our side to the minority leader. But before I do that, I want to renew the clarion call once again. We have, according to our records—this list in my hand which I will not bother to count—lots of amendments that have been offered, have been debated, that we are going to start voting on some time.

But in addition to that, we have about 28 to 30 amendments that Senators have indicated to the managers are going to be offered. This would be a very good time to offer them because, if we do not see some movement on some of these things, we may run completely out of time. Then Senators are going to come here and say, ''Why

didn't you protect me in offering an amendment?''

I am protecting them now. The chairman of the committee is protecting those on his side. But we are running out of patience on protection.

So I plead once again that the Senators who have indicated to the managers of the bill that they are going to offer amendments, please come over and do so. If you are not going to offer the amendment, please call the cloakroom, the respective cloakroom, whether Democrat or Republican, and indicate that the amendment is not going to be offered. That will give us a chance to better manage and move the proposition along.

I ask unanimous consent to set the pending amendment aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. With that, I yield whatever time he may need off our time to the minority leader.

The PRESIDING OFFICER (Mr. INHOFE). The distinguished minority leader.

POINT OF ORDER

Mr. DASCHLE. Mr. President, let me first associate myself with the remarks of the distinguished ranking member. We are down, now, to the final couple of hours. I really hope we will not lose the opportunity to have a good debate on whatever issues are left outstanding. I think there has been a real, good-faith effort over the last 2½ days to reach this point. We have had a good debate. I hope we can finish it off now. There are virtually no Members on the floor prepared to offer amendments. We ought to correct that. We will give people an opportunity in the next 10 minutes to come to the floor and offer additional amendments.

In the meantime, I want to call attention to a concern I have raised a number of times already relating to the circumstances in which we find ourselves on this particular resolution. I have viewed the procedures employed by the majority all through the 104th Congress with increasing concern. Our side, the Democratic caucus, has been systematically deprived of the opportunity to offer legitimate amendments. It has been an recurring practice on the Senate floor over the last several months for the majority to offer a bill, to fill the so-called parliamentary tree, preclude Democrats from offering amendments, and then file cloture so we are left with no other recourse but to vote against cloture and to continue to bottle up the legislation. It's either that or accept entire bills as forced upon us by the majority without seeking to exercise our fundamental rights as Senators to debate and amend. Given those terms, we've had no choice but to vote against cloture. We have voiced our concern over and over, and will continue to do so, about this fundamental abuse of Senate rules. Democrats never employed such extreme tactics when we were in the majority. I hope we will not get in the habit of doing so in the future. I think it is wrong. I think it undermines the good-faith effort Republicans and Democrats need to demonstrate in moving legislation through this body.

Certainly, it's legitimate to oppose legislation. We can have extended debate. But to preclude the minority from offering even a single amendment is unprecedented, and, again, simply wrong.

We are moving now from that practice to another one that, in my view, is even more threatening to the Senate as an institution. This resolution will do something that we have not done now in more than 20 years. In fact, I would say in all of the modern day period of the budget process, we have never done this. Only once, right as we were beginning to employ the reconciliation process and before that process was well understood, did we ever do what the Republicans are attempting to do in this budget resolution.

In fact, I think it's arguable that the one precedent adduced for the practice I'm about to describe is not a precedent at all—but rather a rudimentary misuse of the term ''reconciliation'' that should be dismissed as an example of anything.

This is the first budget resolution that will instruct a committee to produce a reconciliation measure that actually increases the deficit. The 1974 precedent we will hear about was based on no reconciliation instruction. And this year's unprecedented abuse therefore calls into question what reconciliation is about in the first place.

We all know what reconciliation was designed to be and what it has been. We all know that we pass budget resolutions with reconciliation instructions in order to ensure that the authorizing committees hit deficit reduction targets. Some way of enforcing deficit reduction on committees is the sole reason for being of the highly privileged vehicle we call reconciliation. We deprive Senators of their normal rights to debate and amend only because we seek to ensure that the committees follow through in the crucial business of exercising fiscal responsibility.

That is the reconciliation process. Its objective is to continue to reduce the deficit, and it does so by compelling committees to live up to the expectations of the budget resolution. But what are we doing this year? As I say, except for the rare and understandable circumstances in 1974, this body is doing something we have never done before. We will be passing a reconciliation bill in three parts, one part of which will actually increase the deficit dramatically—dramatically.

I must tell you, what goes around comes around. I cannot see any reason why Democrats—once back in the majority—cannot conveniently begin to use reconciliation packages for all kinds of legislative agendas. I do not see why we may not ultimately authorize through a budget resolution a reconciliation package for each month. Let us just put all the legislation we want to do in each reconciliation package. We will then preclude the possibility of any more extended debates, preclude the possibility of an open and free discussion, preclude the possibility of amendments in some cases. We will change the very character of this institution in a very permanent way.

I am not sure that is what the majority wants. In fact, I'm confident most on the other side of the aisle do not want that. I know if they were in the minority—they would certainly not want it. And I know that most of my friends on the other side do not expect to be in the majority forever.

I would say that all of us, regardless of whether we are in the majority or minority, want to protect the institution of the Senate and its rules. That ought to be one of our foremost goals. If we are going to bend and change the rules so dramatically to serve the political needs of the moment, we are not living up to our responsibilities to the institution of the Senate. We are not living up to what our predecessors understood to be the practice of this body. And we are not living up to the obligation we have to our constituents to preserve the legislative freedoms and protections embodied in the Senate's rules and traditions.

So, it is with great concern that I call attention to what I consider to be a very, very dangerous set of legislative circumstances mandated by this budget resolution. I think it is a fundamental abuse of the budget process. It is such an abuse that it calls into question whether the document before us actually constitutes a budget resolution.

I would argue it does not. I argue that, because it creates a budget reconciliation bill devoted solely to worsening the deficit, it should no longer deserve the limitations on debate of a budget resolution. Therefore, I raise a point of order that, for these reasons, the pending resolution is not a budget resolution.

The PRESIDING OFFICER. Does the Senator wish to be heard on the point of order before the Chair rules?

Mr. DOMENICI. Mr. President, I think in deference to the minority leader I should be heard. I obviously did not bring this resolution to the floor without consulting with the Parliamentarian. So I think I know the answer to the Senator's question. But I do not think that we should let the Chair rule and then only have time if the Senator appeals to discuss our side, although if the Senator appeals we will also take some additional time.

Mr. President, could I yield myself 15 minutes off the resolution or do I have some additional time because of the nature of the situation?

The PRESIDING OFFICER. The time is controlled by the wording of the Budget Act, and the Senator has 1 hour and 56 minutes.

Mr. DOMENICI. I yield myself up to 15 minutes. I hope I will not use that much.

Might I say to the distinguished minority leader that I do not think there are very many Senators—maybe I would yield to Senator BYRD—who have more concern about protecting and preserving this institution than the Senator from New Mexico. I truly think the Senate is a very special place, and it has a lot of attributes that make it that way. I personally will resist any efforts, now or in the future, to move this body away from its historic tradition of being very free and open on debate and having one very big characteristic, and that is that most things can be filibustered—open debate.

However, I submit that there is a Budget Act that was adopted almost unanimously by the Senate that for very special events changed both of those rules. The rule that an amendment, that a bill or measure can be freely amended was altered; for as long as we have that Budget Act in place, that will not be the rule on a reconciliation bill.

Second, the very nature of the budget resolution denies filibuster. In the very statute that creates it, that other characteristic about the Senate—open debate for as long as you want—is negated.

That is not a unilateral decision by this Senator or Senator EXON or the minority leader. That decision was made when the Budget Act was passed, for there are time restraints on every aspect of a budget including 50 on the resolution, 20 when it comes back from conference. Reconciliation bills have a time limit on them.

Additionally there is a very strict definition of germaneness with reference to offering amendments to reconciliation bills.

Now, before I explain that we are not breaking precedent and cite for the Senate a number of occasions when we have heretofore done exactly what the Senator is complaining about, before we do that I would suggest that the concern that whether we have one reconciliation bill, two or three, that we are going to be able to do all the legislation of the Senate in derogation of the quality of the Senate with reference to open debate and the freedom of amendment, standing in the way of that is the Byrd rule.

We do not change the Byrd rule in this budget resolution. There again, it establishes that if you intended to use a reconciliation instruction in that bill to just change the substantive law because you had not been able to pass it somewhere else, it will get knocked out by the Byrd rule.

So the first thing I was worried about is if we do this in this sequence—and I will explain to the Senate why we did it this way—do we in any way open in any additional way these reconciliation bills to be used by Senators to amendment processes, to amend laws that are unrelated and in no way, in no way germane to reducing the deficit. The answer I got unequivocally is that we had not changed that. So that is point No. 1.

Second, there is nothing in the Budget Act—section 310 and any other sections—that precludes us doing more than one reconciliation bill. Section 310(a) provides that a budget resolution may specify the total amount by which, among other things, revenues are to be changed. Section 310 dictates neither the magnitude nor the direction of the change. Reconciliation is a neutral budgetary tool. It is not required to produce deficit reduction.

As a matter of fact, Mr. President, on that point alone, must each part of a reconciliation bill or each of the three reduce the deficit, I would call to the Senate's attention that in 1975 a reconciliation instruction and a bill passed here under the leadership of the Senator from Louisiana, Russell Long, chairman of the Finance Committee—in 1975. It actually was used to reduce taxes, thus increasing the deficit—for that very purpose. Clearly, clearly, I find nothing in this law that says each reconciliation bill must reduce the deficit.

Now, let me tell you that the budget resolution for 1994, your budget resolution for the year 1994 had two reconciliation instructions. One was for everything that you do normally, and the other was to change the debt limit of the United States by a reconciliation bill—two different instructions, two different bills. Now, if you can do two because it fits the necessities that one side of the aisle has, this should not mean that you cannot do three if it fits the other side.

Now, in our budget resolution, we did this in three steps. This process would provide more extensive consideration on the Senate floor of our legislative proposals for balancing the budget in 2002, for if on each of the three components there are 20 hours of debate, it seems to this Senator that for those who want more time to debate, and certainly for those who would say this process we have adopted is closing debate, the exact opposite is true. There is more time for debate on each of them because rather than 20 hours for a big, giant bill, there will be three times that for each will be subject to that many hours of debate.

By separating these proposals to balance the budget into what we might consider manageable issues, we permit Senators to address their concerns contained in each of the bills. Rather than as many Senators complain about the very large bill that has taxes in it, has all kinds of entitlements from all different sides in an all-or-nothing proposition, we permit them to have part of it, not all of it, in one, part in another, and then, of course, taxes or tax reductions at the end.

The first bill reconciles savings equivalent to the assumptions contained in a resolution for welfare reform and Medicaid, and the committees must report on that.

If the first bill is enacted, then the second bill would reconcile all committees regarding direct savings. The committees would report, by July 12, two totally distinct events with total debate on each of them under the Budget Act. If both the first and the second bills are enacted—if they are—then a final bill reconciles the Finance Committee regarding revenue reductions.

I will read some history of past comments on reconciliation. Mr. President, a member of the President's own administration has in the past advocated consideration of separate packages. In 1982, during the debate on the rule to take up one of four reconciliation bills in the House of Representatives that year, then-Member of Congress Leon Panetta said, regarding the vote on the rule:

> This is, I think, one of the most important votes they will cast this session. It will set the stage for whether we can deal with reconciliation on an orderly basis, allowing packages, allowing committees to come to the floor, and allowing Members to vote up or down on those issues, or whether we are going to capitulate to some kind of chaos, the same kind of irresponsibility that we were put through last year when we had an up-or-down vote on a last-minute 800-page amendment.

All circumstances are not alike. One might argue that Leon Panetta was arguing about a completely different situation. But, Mr. President, I think what he said is right. It does not mean you have to have more than one reconciliation bill, one movement or effort, and bringing the laws together and changing them so as to achieve the goal of the budget resolution. That is what a bill is that is called reconciliation.

So, Mr. President, I am firmly convinced that we are doing the right thing. I believe when this budget resolution is passed, very shortly thereafter there will be a very healthy debate on a portion of the reconciliation package that we passed heretofore.

I call to the Senate's attention that in House Concurrent Resolution 64, fiscal year 1994, the House Agricultural Committee was reconciled for outlay increases for fiscal years 1994 through 1998. That was an increased reconciliation for food stamps.

In addition, in our budget resolution last year, House Concurrent Resolution 67, the Finance Committee was reconciled for a revenue reduction. In 1975, I repeat, during the first use of reconciliation pursuant to what was then H. Con. Res. 466, both the Ways and Means Committee and the Finance Committee were reconciled for revenue reductions.

Mr. President, it may be that we will, as the majority, be in the same position someday, in the minority, with this Budget Act still intact and the new majority may indeed want to offer one resolution with everything in it. We are not going to be able, based on today, to say they cannot do that. If they choose to go back to one huge reconciliation bill, all or nothing, they can. If they choose, Mr. President and fellow Senators, to go to two, the ruling of the Chair today will probably

say that there will be two. If they choose to do three, and the last one is a tax reduction package, then I assume we will be in a position where we can make some noise about it on the floor, but we are not going to get a parliamentary ruling that it is improper.

Mr. President, I repeat, I believe the complexity of welfare reform and Medicaid are sufficient to be in one bill. I believe the complexity and the policy changes for those two proposals are sufficient to be in one bill.

I submit that all the other entitlement programs are sufficient to be in another bill. I submit that the Republicans are committed, the President is committed, and indeed the bipartisan package is committed to some tax reductions. There is argument about which ones. But I submit that can be done under precedent as far back as 1975, to have a tax reduction reconciliation bill.

So, Mr. President, I am sorry I talked so long, but I worked on this for a long time. As a matter of fact, I take a bit of pride in it. I thought this was a far better way to handle the business of a major change in the law of our land and tax cuts than we tried last year.

I truly think it is fair to the Senate and it is fair to the public for they will better understand what we are doing. Since that is the case, I recommended it to both the House and the Senate. That is why we are here today. I yield the floor.

The PRESIDING OFFICER. A point of order is debated under the discretion of the Chair.

Would the Senator from South Dakota desire a few minutes?

Mr. DASCHLE. Mr. President, as I understand the parliamentary situation, the Chair could rule and then the debate is anticipated to be at least 1 hour on the appeal of the ruling of the Chair; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. DASCHLE. I prefer to have the ruling of the Chair. I anticipate the ruling, and then I will appeal the ruling.

The PRESIDING OFFICER. All right. The Chair will rule that the resolution is appropriate and the point of order is not sustained.

Mr. DASCHLE. Mr. President, I now appeal the ruling of the Chair.

The PRESIDING OFFICER. There will be 1 hour equally divided between the Senator from New Mexico and the Senator from South Dakota.

Mr. DASCHLE. Mr. President, I have no desire to use that kind of time. I know there are a number of Senators who wish to offer amendments. But in the interest of parliamentary procedure, let me take a little bit of time, and then we will present a series of parliamentary inquiries that may help set the record in this instance.

Mr. DOMENICI. I ask the Senator, could I ask a question?

Mr. DASCHLE. I would be happy to let the Senator.

Mr. DOMENICI. Does the Senator intend to vote on this separately today or within the series of votes on the amendments?

Mr. DASCHLE. I think we can do it in the series of votes just to expedite things.

Mr. DOMENICI. I thank the Senator.

Mr. DASCHLE. Mr. President, the Senator from New Mexico, the distinguished chairman of the Budget Committee, notes that we have seen an occasion such as this arise. I alluded to that circumstance in 1974. That was 20 years ago. In the world of the Budget Act, that 20-year period is a lifetime. Congress, and in particular the Senate, have dramatically changed the budget process since then.

In the 1980's, the Senate adopted, as the Senator from New Mexico noted, the Byrd rule to restrain and limit reconciliation. Since the early 1980's, a long history of using the reconciliation process to reduce the deficit has evolved.

The chairman of the Budget Committee noted that the Byrd rule requires that there be a sufficient offset or deficit-reduction—and no worsening of the deficit in the outyears—to a reconciliation package for it to be in order. But his reconciliation instructions in this resolution trigger a tax provision that does absolutely no deficit reduction, and certainly worsens the deficit beyond the window of the resolution itself.

Mr. President, that being the case, only two outcomes are possible. First, there would be no tax reduction after the 6th year; that is, that tax reduction anticipated in this reconciliation package would no longer apply in year 7 because, if it did, there would be a deficit created, and then obviously the Byrd rule would apply. Or, second, there is some sort of offset which is not delineated here. If that is the case, I'd like to hear what that undisclosed offset is.

This difficulty is the inevitable result of using reconciliation improperly for deficit creation rather than deficit reduction. The fact that the Byrd rule creates clear problems for this approach only confirms that this resolution's reconciliation instruction is totally inappropriate.

The 1970's precedent did not involve a budget process resolution instructing the committee to produce a reconciliation bill that worsens the deficit. Senator Long, who was chairman of the Finance Committee at the time, simply came down to the floor and claimed that the tax cut bill then under consideration was a reconciliation bill. Again, there had been no instruction to the Finance Committee. There was no previous understanding that the Senate was operating under reconciliation procedures.

It is true that at that point everybody stood and saluted. But that does not change the fact that the chairman's tax cut bill should not have been considered a reconciliation bill in 1974, as the budget resolution had not directed the creation of a reconciliation bill itself.

So, in sum, the 1974 precedent was wrongly decided. I hope that we will not build upon that error now in 1996. The Byrd rule and other subsequent amendments to the Budget Act clearly imply the deficit reducing nature of the reconciliation process.

I will quote the language of 313–B, section 1, subsection (b):

> Any provision producing an increase in outlays or decrease in revenues shall be considered extraneous if the net effect of provisions reported by the committee reporting the title containing the provision is that the committee fails to achieve its reconciliation instruction.

This is a portion of the Byrd rule, and in expressly singling out increased spending and tax cuts as potentially inappropriate in a committee's work product, the language clearly implies that the true reconciliation effort should be to reduce spending or increase taxes. In other words, the proper reconciliation function is deficit reduction.

Mr. President, the bottom line here is that if a reconciliation bill produces only an increase in outlays or a decrease in revenues it is subject to the Byrd rule and therefore extraneous. Given those conditions, the third portion of this resolution's reconciliation grouping certainly violates the Byrd rule on the face of it.

Mr. President, I know the Senator from New Mexico indicated it was for managerial facilitation that he has presented this bifurcated approach to the reconciliation package. I must say, I think ''managerial'' can explain just about anything. Obviously, managers want all kinds of devices to move their agenda along.

In any case, managerial comfort is no justification for a practice that clearly violates many decades of Senate procedure. And as I've said, this practice is unprecedented. It is dangerous. It is extraordinarily harmful to the institution itself.

Mr. President, I make a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the parliamentary inquiry.

Mr. DASCHLE. This resolution directs the creation of three reconciliation bills, as I noted. It provides that the third reconciliation bill shall occur only if the first two have been enacted.

Is it the opinion of the Chair that this resolution would continue to be a budget resolution if it directed the creation of that third reconciliation bill—the one that solely worsens the deficit—even under circumstances when the Congress had failed to enact the prior two reconciliation bills?

I would be happy to repeat the inquiry if that needs to be done.

The PRESIDING OFFICER. The Chair would respond that it appears to be a hypothetical question, and I am not sure it would help to repeat it, but you might try.

Mr. DASCHLE. Let me rephrase it, because I think it is a very important question and I do not think it is hypothetical at all. In fact, it deals directly with the circumstances at hand.

Is it the opinion of the Chair that this resolution would continue to be a budget resolution if it directed the creation of only that third reconciliation bill—the one that solely worsens the deficit—even under circumstances when the Congress had failed to enact the prior two reconciliation bills?

The PRESIDING OFFICER. If the Senator's question is, can the budget resolution direct the creation of a reconciliation bill which lowers revenues, the answer is yes.

Mr. DASCHLE. A second parliamentary inquiry. Is it the opinion of the Chair that this resolution would continue to be a budget resolution if it directed the creation of only that third reconciliation bill—the one that solely worsens the deficit—and did not direct the enactment of the two prior reconciliation bills?

The PRESIDING OFFICER. The answer is yes.

Mr. DASCHLE. Mr. President, third inquiry. The pending resolution instructs the Finance and Ways and Means Committees to produce a bill that cuts taxes. There are no other instructions to those committees with regard to that reconciliation bill. Is it the opinion of the Chair that it would be in order for a budget resolution to instruct the creation of a reconciliation bill that increased outlays and gave no other instructions to those committees with regard to that reconciliation bill?

The PRESIDING OFFICER. Yes.

Mr. DASCHLE. Mr. President, the Byrd rule forbids legislation that will increase the deficit in years beyond those covered in the budget resolution. If this third reconciliation bill does not find a way to end or offset its tax cuts in the years beyond 2002, would the bill violate the Byrd rule?

The PRESIDING OFFICER. Yes, it would.

Mr. DASCHLE. Is it not true, unless the budget resolution assumes that the tax cuts will sunset in 2002, or be offset by tax increases thereafter, the resolution calls for a reconciliation bill that would violate the Byrd rule?

The PRESIDING OFFICER. The resolution cannot make assumptions beyond the years which are instructed.

Mr. DASCHLE. That is not the question, Mr. President.

What I am asking is that under the Byrd rule there must be a determination that the deficit is not increased by actions taken in the reconciliation instructions in the outyears, in the years beyond the window.

The PRESIDING OFFICER. The Byrd rule does not apply to reconciliation instructions. It applies to a reconciliation bill.

Mr. DASCHLE. That is my point, Mr. President. This resolution assumes that a reconciliation bill will be triggered that will violate the Byrd rule unless it is terminated at the end of 2002 or else subsequently offset.

The assumption of the resolution is that tax cuts will sunset in the year 2002 or be offset by tax increases thereafter in order for it not to be in violation of the Byrd rule, is that not correct?

The PRESIDING OFFICER. The budget resolution makes no assumptions.

Mr. DASCHLE. Mr. President, let me ask you this: Would the reconciliation bill be in order if the budget resolution did not address the issue of deficit reduction beyond that 6-year timeframe?

The PRESIDING OFFICER. I read to you under extraneous provisions (e):

> A provision shall be considered to be extraneous if it increases or would increase net outlays or if it decreases or would decrease revenues during a fiscal year after the fiscal years covered by such a reconciliation bill or reconciliation resolution.

This only applies to reconciliation bills.

Mr. DASCHLE. Let me then phrase my question another way, because I think we can now clarify this.

The reconciliation bill triggered by this resolution would not be in order, in other words, if it failed either to offset the tax cuts or to sunset them after fiscal year 2002, is that not correct?

The PRESIDING OFFICER. That is correct.

Mr. DASCHLE. Mr. President, let me just note parenthetically, if that is correct, that the majority party is the same party that has criticized the President's budget because the President sunsets his tax cuts. But now the majority comes before us with a reconciliation instruction that requires either that their tax cuts be abruptly sunsetted in the year 2002 or that taxes be increased dramatically after that point to pay for the continuing tax cuts.

Is it the opinion of the Chair that it is in order for a budget resolution to call for the creation of 10 different reconciliation bills in one fiscal year?

The PRESIDING OFFICER. There is no number limiting the number of reconciliation bills.

Mr. DASCHLE. Mr. President, this is, in my view, a ludicrous abuse of power. If this ruling is upheld we will be giving more and more power to the Budget Committee, power cloaked in the fast-track protection of the budget process itself. We will be granting immense power to the majority. If this precedent is pushed to its logical conclusion, I suspect there will come a day when all legislation will be done through reconciliation.

A decade ago the Senate wisely amended the reconciliation process by adding the Byrd rule to ensure that reconciliation bills would be narrowly drawn and limited to their deficit reduction purpose.

This ruling poses a serious threat to the Budget Committee as we will become more and more like the House Rules Committee and the Senate more and more like the House of Representatives.

For those of us who want deficit reduction, the majority seeks a very dangerous precedent today. For those of you who believe in the history of the Senate and unlimited debate and the right of Senators to offer amendments, the majority seeks to set very dangerous precedents today.

I urge my colleagues to vote to overturn the ruling of the Chair. If we do not, the Senate will surely became a different place and a much diminished institution.

Mr. President, I note the distinguished Senator from South Carolina, the former chairman of the Budget Committee, seeks recognition to address this issue. And I am sure my colleague, the current ranking member of Budget committee, does so as well.

I yield the floor for that purpose.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I do not intend to stay and debate the issue very long. Perhaps Senator GORTON can stay in my stead.

But let me just suggest that in the view of this Senator the Budget Act offers a great deal of latitude to the U.S. Senate and to the Budget Committee. It can be controlled by the U.S. Senate, if the U.S. Senate chooses to do so. As a matter of fact, even on the Senator's point of order, if the Senate chooses to sustain his appeal, or to grant his appeal, the Senate will have decided that it does not in this reconciliation bill intend us to have three reconciliation bills. I believe that is a matter for the Senate.

But to argue that in this instance when you are contemplating a very large reconciliation bill with all kinds of things in it, one shot, one debate, one vote and that we cannot find a judicious way to do better than that by having more than one reconciliation bill, more than one opportunity to vote on this, seems to me to fly in the face of permitting the Senate to do its business in the best way that it can under very strict rules of the Budget Committee. And I, frankly, believe that this is a better way to handle a huge and varied number of bills—to have more than one debate. And, frankly, we are committed to a balanced budget and to the balanced budget continuing on beyond the 2002. We do not intend to have tax cuts to take us out of balance in 8 years. That would be matched up against entitlement savings that go on. It will be matched up against caps on discretionary programs that go on.

So the issue of us being forced to sunset, and in some way that is under the technical ruling today, in some way that puts us in the same boat with the President who has submitted a budget that is not in balance under the same rules that the Senate applies, and then to say we put it in balance by triggering and closing off the tax cuts and to

say they are the same, to me just flies absolutely in the face of every kind of factual assessment you want to make about the two budgets.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Mr. President, I appeal the ruling of the Chair, and ask for the yeas and nays.

The PRESIDING OFFICER. The Senator has already appealed. There is 1 hour to be equally divided.

Mr. DASCHLE. Is it not appropriate to ask for the yeas and nays at this time?

The PRESIDING OFFICER. It is appropriate to ask for them.

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I am about to yield whatever is yielded from our time to my distinguished friend from South Carolina.

I think this debate has been absolutely fascinating because from the very beginning of the budget debate this year I was struck by what I had never seen before; and, that is three reconciliation bills. I simply say that the excellent debate that has taken place highlights the fact, and proves beyond any doubt what I have always suspected—that the majority in this case on the Budget Committee are trying to use this new reconciliation process to protect a tax cut from full debate and amendment, something they obviously could not get that done under the usual rules of the Senate. The budget reconciliation keeps those of us who are opposed to that kind of a proposition from using the traditional filibuster techniques. We should have a debate. We should have all of the rules in place when we talk about cutting or raising taxes.

I happen to feel that the move by the majority in this instance is an undisputed abuse of power and if it is allowed to occur, will it cause them great heartbreak in the future.

Certainly the Senator from South Carolina I believe has been on the Budget Committee since its inception, and I think there are few, if any in the body, who have a better understanding of what the intent of that legislation is.

I am pleased to yield to him whatever time he needs.

The PRESIDING OFFICER. The Senator from South Carolina

Mr. HOLLINGS. I thank my distinguished friend, the Senator from Nebraska.

Mr. President, I come to the floor of the Senate and I cannot keep up with everything going on. I hear different things—such as a ''Reconciliation Act of 1975''—which are totally false.

I also heard someone refer to Senator Long as having been chairman of the Budget Committee—also totally false.

When I hear these things I remember very, very clearly the history of reconciliation. I can tell you in the late 1970's we used to kid about reconciliation over on the House side; they said they could not even pronounce it. And if you go to the RECORD you will find that back in 1975, the Revenue Adjustment Act to which they are now referring was not a Reconciliation Act.

The assistant legislative clerk read as follows:

A bill (H.R. 5559) to make changes in certain income tax provisions of the Internal Revenue Code of 1954, and for other purposes.

That was not reconciliation. I know Senator Long could use language loosely from time to time. But that was not a reconciliation bill. We did not start reconciliation until December 1980. I was chairman of the Budget Committee, and the distinguished Senator from New Mexico was on the Budget Committee at that time. And I am sure the CONGRESSIONAL RECORD will reflect the fact that the first reconciliation bill in the history of the Government of the United States of America was in December 1980, and has nothing to do with the precedent noted by the Parliamentarian in 1975. Back then we only had 1-year budgets.

Now let me speak to the history of reconciliation. We started out discussing the matter with our colleagues on the House side. The distinguished Member from the State of Washington, Congressman Adams was the chairman at that time. And we talked back and forth. But after President Carter was defeated on a Tuesday in November, I went over that Friday to the White House, after we received new budget numbers from the Congressional Budget Office. The Congressional Budget Office projection of revenues and outlays showed that the deficit was going up to about $43 billion. I said, ''Mr. President, no Democrat is going to ever get elected if we don't cut the deficit. It is going to be the largest deficit in the history of the Government.'' He said, ''What are you going to do?'' I said, ''Well, there is a fancy word, Mr. President, reconciliation. I think I can get Chairman Giaimo to go along.'' I had talked to Bob ahead of time. I told the president, ''What it means is cut; to go back and cut those things that were already allocated.'' Now, back then the fiscal year was from July to July. We were already in December and we needed to try to reduce. That is the history of reconciliation—to reduce deficits.

This idea of coming in here and saying that the word is ''change'', and it does not specify up or down is totally out of the ballpark. It is in reference to the budget process. If we can find Mr. Giaimo from Connecticut we could bring him back here and some of the others—Brock Adams; Jimmy Jones who is now the Ambassador down in Mexico, they would tell you that reconciliation is a procedure to reduce the deficit.

The whole context given here this afternoon is that of minority-majority, majority-minority, and all of that. I understand that. The distinguished minority leader is right on target. But the greatest concern is that we may break all discipline from the majority or the minority in the United States Congress itself if we go this route. We have to overrule this nonsense. This ruling of the Chair is totally spurious with no basis whatsoever in fact.

The truth of the matter is that the bill considered in 1975 was not a reconciliation bill, it was a tax revenue act. If you look at the bill you'll see that it was not reconciliation. And while we are clearing things up, someone just a little while ago said Senator Long was chairman of the Budget Committee. Not only was he not chairman, he never served on the Budget Committee. He served as the distinguished chairman of Finance. We had our differences with Finance all along, the difference between Senator Muskie and Senator Long. I was there when those particular debates were going on.

I would plead to my colleagues very genuinely, to not violate the Byrd rule, which was to keep us sort of in harness and not just willy-nilly put anything on a reconciliation bill.

Let us not get around the debate with spurious arguments or about Senator Long as chairman of the Budget Committee that he never served on, or reconciliation that never occurred in 1975.

Now, Mr. President, these are the hard facts. If someone would get out the Congressional RECORD and look back, they will see that the first reconciliation bill was passed by the Congress in 1980. I have got the picture. I have got the frame. I am sure Giaimo has the similar frame. The first reconciliation act in the history of this U.S. Government was in December, 1980. It was signed by President Carter, and was 5 years subsequent to the authority they are using now to get around what is going on.

The problem here is the Presidential politics. It has gotten to be a cancer on this entire body. The plan is: we will make them vote on welfare; then we will make them vote on these other things; and then, finally in September, says that resolution, just before the election, we will bring up tax cuts, because the polls say everybody is against taxes. So we will just put them to the task.

What we have now is Presidential politics, and they ought to be ashamed of themselves. Their authority is absolutely fallacious.

I happened to be chairman of the Budget Committee at the time, and I told the President: if you can get Herke Harris and Jim McIntyre to leave us alone * * * because they were over on the Hill that fall trying to reelect President Carter, putting up money hither and thither. And I even went at that time to our liberal spending friends. I went to Senator Warren

Magnuson of Washington, Senator Frank Church of Idaho, Senator George McGovern of South Dakota, Senator John Culver of Iowa, Senator Birch Bayh of Indiana, Senator Gaylord Nelson of Wisconsin, who used to sit right here, and I said: You have got to give us one vote. We have got to cut this thing back; otherwise, we are going to leave the biggest deficit in the history of the Government.

The whole idea of the reconciliation—and I am giving you firsthand history; it is honest as the day is long—was to, by gosh, cut back on the deficit. It was not this nebulous argument that as long as it is a change then we can make it go up. I never heard of such a thing. We would have been run out of the Senate in those days. We had some discipline, some understanding of responsibility, some action of responsibility. It is totally irresponsible to come now and start ruling that you can put up a reconciliation bill since it is a change. Every bill is a change. So any bill can be called reconciliation. You can go up and you can go down and you can limit the debate. You can, as they call it, fill up the tree, so there are no amendments and there is a time limit and the majority retires from the floor and goes out to watch TV or something because they have the votes locked and fixed. It is really a shame. It is an embarrassment to this particular Senator who served as the chairman of the Budget Committee, and I can tell you the whole precedent given by the Parliamentarian is totally out of the whole cloth.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. I wonder if the Senator from Nebraska would yield me just 2 minutes.

The PRESIDING OFFICER. Does the Senator yield to the Senator from North Dakota?

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I have been fascinated in listening to the remarks, that are so much on point, by the Senator from South Carolina. I was there in 1980. I remember being called down to the White House on an emergency basis with the Senator as chairman of the committee. Chairman Giaimo was there, and I listened with keen interest to the keen recollection of the facts, with the names and the dates and the places by my talented colleague from South Carolina.

Mr. President, I am very much afraid that we are proceeding here in a fashion that the majority thinks is good politics. It is going to have dire, dire consequences in the future if we continue to proceed and fail to overrule the Chair. In all reality we know our appeal will fail because the Republican majority of 53 has the votes to roll us on this side at every occasion.

I would tell the Senate that other people who have had experience as Parliamentarians do not agree with the ruling of the Chair in this instance. But we should all realize and recognize—and the people in the gallery or the people watching on television maybe have some kind of questions—that the Parliamentarian, of course, is appointed by the party in the majority, and when we were in the majority we had our Parliamentarian. Now that the Republicans are in the majority, they are entitled to and have their Parliamentarian.

We like to keep the Parliamentarians as nonpartisan as possible, but I must admit that over the years I have been here I have seen our Parliamentarian rule in our favor, and while I cannot prove it, I happen to feel that today's Parliamentarian rules in favor of the people that appointed him. So the Parliamentarian is not like a Supreme Court Judge that has lifetime tenure which enables him or her to make determinations based solely upon history and fact. I would be the last, Mr. President, to indicate that politics could possibly be involved in the matter before us today—but sometimes it just might be.

I yield the floor.

The PRESIDING OFFICER. The Senator's time has expired. There are 27 minutes remaining on the majority time.

Mr. EXON. When the Senator from Missouri finishes—I will yield to the Senator from North Dakota. I have been advised that the Senator from North Dakota has to leave at 4 o'clock—I yield to him off the resolution.

Mr. BOND. Go ahead.

Mr. EXON. How much time does the Senator from North Dakota wish?

I yield the Senator whatever time he needs off the resolution.

Mr. DORGAN. Mr. President, let me just take 30 seconds. I do not think the majority party will want to establish this as a precedent. They would be here in full force, very angry with this, were it being done to them, were we to create multiple reconciliation bills in this manner.

But the main point I want to make is, we are told that this third reconciliation bill would violate the Byrd rule unless the tax reductions are sunsetted, or unless some other expenditure reductions occur or some other tax increases occur, in order to pay for the tax cuts in the out years. When that point was affirmed, that it would violate the Byrd rule unless that occurred, the chairman of the Budget Committee said that there would be caps on entitlements and other expenditure cuts in the out years. They would have to be done in this third reconciliation bill.

I ask, does anybody have information about what we are talking about? These would be cuts beyond what comes in the current budget recommendations of the Senate, so what kind of caps on entitlements or future cuts in the entitlement programs is the majority party proposing in order not to violate the Byrd rule? I ask the question only because the chairman of the Budget Committee made this point a few moments ago. If that is the intent, and if the information exists to tell us and the American people what that intent is in more specific detail, I think now would be the time for the majority to give us those details.

Mr. EXON. Before the Senator from North Dakota leaves, may I ask a question of the Senator from North Dakota? We heard a great deal and we have had a lot of criticism from that side of the aisle on the President's budget with the idea that it has a trigger in the last year or two that is not factual, not upfront, and not leveling with the American people. In view of the fact that that charge had been made, whether it is true or not, and I think it is not, could the same thing not be said with regard to the action taken by the majority in this case by having a trigger that would benefit them? That seems to be all right——

Mr. DORGAN. In response to the Senator, that is exactly the case that exists here. Either these tax reductions in the third reconciliation bill will be sunsetted, or there will be additional tax increases beyond the final year, or there will be additional cuts. It sounds like a trigger to me.

I am told now by the chairman of the Budget Committee they are talking about caps on entitlements in addition to what we see in the budget. My question is, what would those be? Will they tell us and the American people what they are talking about, so we understand before we proceed down this road?

Mr. EXON. I thank my friend. We reserve the remainder of our time.

The PRESIDING OFFICER. The Senator from Missouri.

AMENDMENT NO. 4012

Mr. BOND. Mr. President, I yield myself 10 minutes off of the resolution, not on this point in specific.

I have a desire to talk about an amendment, No. 4012, the Harkin amendment, which cuts other committees and adds $2.7 billion to the Labor, HHS subcommittee. I say that for the information of any of my colleagues who may wish to join in.

Let me just say in respect to the discussions we have had, very important discussions over the procedure in the Budget Act, I disagree with the ranking member on the other side, who ascribes politics to the process and to the Parliamentarian. I think it is time we had some good policy, because in the past this body, with the active involvement of the Presidents of the United States, has run up a $5 trillion debt, almost $18,000 for every man, woman, and child in this country.

We are in the process of threatening the disability of our Government budget and the economy of this country as a whole if we do not pass a budget that responsibly gets us on a path to balance in the near future. The budget

resolution before us proposes to do that. It is a difficult budget. It is not easy, but I believe it is one that merits support.

There was discussion about the budget the President supported. That budget has been voted down. That budget proposed spending and said if it did not get to zero deficit in 2002, several automatic actions should be taken. Those automatic actions lead to about a $16 billion tax increase and increase in spectrum fees, which would come to a middle-class tax increase in 2002, plus $67 billion in cuts in domestic discretionary programs that would be extremely painful and, frankly, from what we have heard from some of the administration officials, they may even have no intention of pursuing.

Let me get back to the budget that is before us and, in particular, the Harkin-Specter amendment. This amendment, No. 4012, proposes to increase by $2.7 billion the amount in the functions for education, training and social services and for health activities. Everybody likes to be for education and for health care. That sounds very appealing. But that takes money out of other budgets that have been strapped—and severely strapped in the past. I note that it takes money out of the defense budget in many areas where there is no fat. It takes money, in specific, out of the budget for the Veterans' Administration and EPA, where we have suffered great cuts in the past.

Last year there was a rescission of $7 billion out of the funding for the VA, HUD, EPA subcommittee. Then, in the appropriations bills, there was about an $8 billion cut in these functions. Here the amendment before us would take more money from those functions and add it to the Labor, HHS subcommittee. Frankly, that budget under this bill before us would go up slightly for education. Certainly, we all like education. But the problem is very serious when you take a look at where this money would have to come from.

The proponents of this amendment say it will come out of administrative costs. This amendment says nothing about administrative costs. It just takes $1.2 billion out of one place, $1.5 billion out of another, $1.4 billion and $1.4 billion. It does not say anything about administrative costs. It does not define any fat.

The cuts that were taken in the VA, HUD, EPA subcommittee last year were draconian cuts. We had to look everywhere we could to find ways to cut low-priority programs to enable us to fund the major programs funded in EPA and Veterans' Administration. Just last week, this body voted overwhelmingly, 75 to 23, against very severe cuts that the President had proposed to take out of veterans medical care.

In addition, I think every Member of this body will recall that during the debates on the 1996 appropriations bill, the current-year spending bills, everybody wanted to spend more on the environment. Everybody had something more they wanted to add to environmental spending. Let me make it quite clear that if this amendment is adopted, the money is going to come out of the environment and/or Veterans' Administration health care. There is no other pot for it to come out of. There is no category of administrative costs and administrative waste that is going to be reduced. This money is going to come out of the environment and/or veterans health care.

I know everybody would like to put more money in education. Certainly, I would as well. But after the battles that we have had here, to try to get the funds increased to carry out the vital environmental programs that the EPA is charged with, I would be very surprised if people will vote to cut the environment, and then they will come back to this floor when we are debating the bill itself and say, ''Why can't we put more money in the environment?''

Mr. President, a vote for the Harkin amendment is a vote to take money out of the environment. It is a vote to take money out of VA medical care. These are the critical priorities that would be hit if this measure is to be adopted.

I strongly urge my colleagues not to support this amendment. It reflects some serious changes from the judgment made by the Budget Committee and it will take down funding, approximately $430 million cut for HUD-VA would be just about equal to the increase planned for VA medical care, or it would equal about one-half of the planned Superfund reserve fund increase.

These are vital priorities that have been debated on this floor in the past. We spent many months working to find additional offsets to put money into the environment. And if any of my colleagues are interested in the environment and are concerned about assuring that we have adequate funds to protect the environment, to clean it up, to leave the kind of environment we want to leave for our children, I urge them not to support this amendment to take money out of the environment.

Mr. President, I reserve the remainder of the time, and I yield the floor.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

POINT OF ORDER

Mr. HOLLINGS. Mr. President, I yield just 1 minute.

I ask unanimous consent to have printed in the RECORD a page from the ''Major Congressional Action'' of the Congressional Quarterly Almanac of 1980.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

$8.2 BILLION RECONCILIATION BILL CLEARED

For the first time in the six-year history of the congressional budget process, lawmakers in 1980 approved ''reconciliation'' legislation designed to trim the fiscal 1981 budget deficit by more than $8.2 billion.

The bill (HR 7765—PL 96–499) cut back programs already on the books to achieve outlay savings of $4.6 billion in the year that began Oct. 1, 1980. It included revenue-raising provisions expected to yield $3.6 billion during the year.

Congress completed action on the reconciliation bill Dec. 3 when the Senate adopted the conference report on the measure (H Rept 96–1479) by an 83–4 vote. The House had approved the conference report earlier that day 334–45. (Senate vote 487, p. 70–S; House vote 581, p. 168–H)

Although some members castigated the bill as a ''backdoor'' method for creating new federal programs and expanding old ones, most participants in debate on the measure hailed it as a clear signal that Congress intended to get control of federal spending.

As Rep. Delbert L. Latta, R-Ohio, ranking minority member of the House Budget Committee, told House members: ''[I]f any of my colleagues are thinking about voting against this reconciliation, just keep this in mind, that if you vote against it, you are saying you vote for $8.2 billion more deficit for fiscal 1981.''

The final vote on reconciliation was the culmination of a six-month odyssey that started when Congress included in its first 1981 budget resolution (H Con Res 307) a provision requiring that authorizing committees come up with $6.4 billion in spending cuts in existing programs and $4.2 billion in new revenues. (Budget resolution, p. 108)

The Senate approved its version (S 2885), S 2939) of the reconciliation legislation in action June 30 and July 23, and the House passed its bill Sept. 4. The largest conference in the history of Congress, including more than 100 conferees, convened Sept. 18.

The conference itself took two months. Although many discrepancies were resolved quickly, the knottiest issues—involving cost-of-living increases for military and federal retirees, changes in Medicare and Medicaid, child nutrition programs, mortgage subsidy bonds and the crude oil windfall profits tax—delayed a final compromise until late November.

The ultimate conference agreement fell short of the $10.6 billion in savings targeted by the first budget resolution. It provided cuts of $4.631 billion in outlays ($3.092 billion in budget authority) and $3.645 billion in new revenues, for a total package of $8.276 billion in savings. The bill projected total savings for fiscal 1981–85 at $50.38 billion in outlays and $29.2 billion in additional revenues.

PROVISIONS

As cleared by Congress, H.R. 7765 provided for the following spending reductions and revenue increases:

SPENDING REDUCTIONS

Education and Labor, $840 million in budget authority and $826 million in outlays. Savings were achieved by lowering federal child nutrition subsidies and reducing participation by higher-income students in meals programs; facilitating collection of and increasing the interest rates for student loans; and limiting cost-of-living adjustments for Federal Employees Compensation Act benefits for job-related accidents to an annual basis.

Conferees also, however, extended the authorizations for several child nutrition programs—extensions that were not part of either the House or Senate reconciliation bills. (Story, p. 453)

Post Office and Civil Service, $429 million in budget authority and $463 million in outlays. Savings were achieved by cutting the authorization for pubic service appropriations to the Postal Service and repealing ''look back'' cost-of-living (COLA) benefits provisions for retiring federal employees, which allowed them to receive the benefit of

the previous COLA. Conferees did not change the current twice-a-year COLA benefits for military and federal retirees, which would have saved more than $700 million; the Senate had agreed to this modification. Conferees also prohibited the Postal Service from doing away with six-day mail deliveries.

Highway, Rail and Airport Programs, $375 million in budget authority and $917 million in outlays. Savings were achieved by limiting obligational authority for highways, reducing the authorization of the National Highway Traffic Safety Administration, restricting railroad rehabilitation, limiting funds for airport development, planning and noise control grants.

Veterans' Programs, although the reconciliation bill itself did not make any cuts in veterans' programs, the conference report cited savings of $487 million in budget authority and $493 million in outlays from veterans' legislation already enacted. These savings came from limiting burial allowances and terminating certain flight and correspondence training.

Small Business, $800 million in budget authority and $600 million in outlays. The savings reflected revisions in disaster loan programs included on the Small Business Development Act of 1980 (PL 96–302). (Story, p. 546)

Health, $12 million in budget authority and $915 million in outlays. Savings were to come, in part, from deferring until September 1981 the periodic interim payments to hospitals and revising Medicare reimbursements so they were based on fees charged when the service was performed rather than when the claim was processed.

Although the health conferees agreed to more than 80 new provisions in Medicare and Medicaid programs, many of the changes resulted in adding costs rather than savings. The new health benefits programs included expansion of coverage for home health services, benefits for care in outpatient rehabilitation facilities and increases in payments for outpatient physical therapy. (Story, p. 459)

Unemployment Compensation, $32 million in budget authority and $147 million in outlays. Savings were achieved by ending the federal reimbursement to states for compensation paid to former Comprehensive Employment and Training Act (CETA) workers; eliminating the federal payment for the first week of extended benefits in states that did not require recipients to wait a week before obtaining benefits; and denying extended benefits to those who did not meet certain work-related requirements.

Mr. HOLLINGS. Mr. President, I read the first three paragraphs:

For the first time in the six-year history of the congressional budget process, lawmakers in 1980 approved ''reconciliation'' legislation designed to trim the fiscal 1981 budget deficit by more than $8.2 million.

The bill . . . cut back programs already on the books to achieve outlay savings of $4.6 billion in the year that began Oct. 1, 1980. It included revenue-raising provisions expected to yield $3.6 billion during the year.

Congress completed action on the reconciliation bill Dec. 3 when the Senate adopted the conference report on the measure . . . by an 83–4 vote. The House had approved the conference report earlier that day 334–45. . .

And on. The rest of it, of course, is printed in the RECORD.

The facts themselves support the position taken here. The authority for this absurd ruling is totally out of context from the idea of the budget process and restrictions thereof. It was in response to the concurrent resolution instructions to the Finance Committee. It was not a reconciliation bill. The title of the bill itself said:

The assistant legislative clerk read as follows: ''A bill (H.R. 5559) to make changes in certain income tax provisions of the Internal Revenue Code of 1954, and for other purposes.''

It was a separate bill. It was not reconciliation, because we tried to get reconciliation earlier, and we finally got it 5 years after the Budget Act had been passed. There it is. The Congressional Quarterly, totally impartial, said the first reconciliation act. I will get the other Congressional RECORDS. So the very authority for this ruling is totally unfounded. We ought to overrule this ruling, so to speak, so we can maintain the integrity of the budget process and the integrity of the Senate itself.

I thank the distinguished ranking member.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, time and time again, we are proving the point that the theory behind the ruling of the Chair, as we understand it, which is totally faulty, has been destroyed —that theory has been destroyed completely—by the fact that we have proven beyond any doubt that the 1975 act, or whenever it was, that evidently the Parliamentarian is using as a basis for his theory is wrong.

Mr. HOLLINGS. Wrong as it can be.

Mr. EXON. Senator Long was on another course altogether. He was cutting taxes. He was not using the reconciliation process, as we know and understand it, as part of the budget bill.

The fact that words were used somewhere along the line is totally wrong when a Parliamentarian so rules because it is a faulty ruling, and I think most lawyers who look at it objectively will so agree.

I retain the remainder of our time, and I yield the floor.

Mr. BOND. Mr. President, I ask the Senator from Texas, is he prepared to go forward?

Mr. GRAMM. I am, Mr. President.

Mr. BOND. Mr. President, I yield the distinguished Senator from Texas 8 minutes on the argument on the appeal of the ruling on the point of order.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, there is one thing you have to hand our Democratic colleagues, they are absolutely consistent on tax policy. They are always consistent, and they are consistently wrong. They have three rules on taxes, and they never, ever violate them:

Rule No. 1 is that tax increases are always fair, they are always the right thing to do, and they are always supported.

Rule No. 2 is that tax cuts are always unfair, they are always for the rich, just as only rich people are ever taxed by tax increases, and they are totally consistent in applying these two rules.

If there were a rule No. 3, it would be ''see rules 1 and 2 above.''

What Senator DASCHLE is trying to do is stop us from voting on a tax cut, period. I remind my colleagues that this fund that we are setting up, this so-called reserve fund, provides a tax cut to working families, basically a $500 tax credit per child to working families who now have the highest tax burden in American history.

When I was a boy 8 years old in 1950, the average family in America with two children was sending $1 out of every $50 it earned to Washington, DC. Today, the average family with two children is sending $1 out of every $4 it earns to Washington, DC, and what we are trying to do is to reduce the tax burden on working families, especially working families with children.

Under our budget, we cannot give a tax cut larger than the spending cuts that we have written in the budget or we are violating our own budget and we are subject to a point of order. So we are not debating deficits here, we are basically debating whether or not we be allowed to cut spending and cut taxes on working families.

The Democrats always take the view that tax increases are good and they are always on the rich. In 1993, when they imposed, without a single Republican vote, the largest tax increase in American history, their argument was, this is a tax on rich people. Nobody making less than $115,000 a year is going to pay this tax. Well, it turned out it had a gasoline tax in it. They tried to have a Btu tax equivalent to a gasoline tax of 7 cents a gallon. What they were able to pass was a 4.3-cents a gallon tax on gasoline. It did not go to build highways. It went to general fund of the Government to spend. They taxed working people who have to drive their cars and their trucks to work to give money to people who do not work.

Secondly, they taxed Social Security benefits. The President proposed taxing anybody who was rich, by his definition, who made $25,000 a year.

When people raised questions about it, he said: ''Well, you know, many of these people own their own homes, and if they had to rent the home you could count that as income, if they own their refrigerator and they rented that, if they got an insurance policy or a little savings account.'' So shamed were Democrats in Congress that they did raise the level at which you started taxing their Social Security benefits to $34,000 a year.

By their definition, those are rich people. They were going to tax John Q. Astor, we were told. As it turned out, 80 percent of those taxes on this top 1 percent of income earners turned out to be Joe Brown and Son hardware store.

But the one thing you have to admire the Democrats about, they are absolutely consistent. And that is, they always raise taxes. They always raise

taxes. And they always say that only rich people pay taxes.

They are also consistent in that they never support cutting taxes. What we are trying to do in this bill is to give a $500 tax credit for working families. That tax credit phases out as all deductions do, at high-income levels.

The plain truth is, most American families never become truly economically successful until they are older and therefore almost by definition their children have grown up, gotten married, graduated from college. Mr. President, 75 percent of the tax cut we are talking about goes to families that make $75,000 or less. But following their basic rule that every tax increase is fair and every tax cut is unfair, they are against it.

I just want to remind my colleagues before they vote on this, that under the Clinton budget, if it were implemented, we would have the highest tax burden in American history at the Federal level, 19.3 cents out of every $1 earned by every American on average will come to the Federal Government to be spent.

What that means for working Americans is that for the first time in history, over 30 cents, in fact 30.4 cents, out of every $1 earned by every American family on average is not going to be spent by the people who earned it: it is going to be spent by their Government at the State, local, or Federal level.

Our colleagues who object to cutting taxes for working families say, this is only fair. What they really believe but they do not want to tell us is, they believe Government can do a better job of spending money than working families can. They believe that a two-wage earner family where both the husband and the wife are out working hard, they are making about $50,000 a year, or $60,000 a year, when they combine their two incomes—we are trying to let them keep $1,000 more a year to invest in their own family and their own future. The Democrats are trying to use a parliamentary maneuver to prevent us from voting on that because they want to spend that money. They do not want working families to be able to spend it.

This fits their principle. In the mid-1980's people discovered that in foreign policy the Democrats always blamed America first. What we are discovering in the 1990's is in domestic policy, they always tax America first. According to them, every tax is fair, every tax cut is unfair, every tax increase is paid for by rich people. Even if they are Social Security recipients making $25,000 a year, counting half of their Social Security, even if they are driving a pickup truck to work, Democrats think they are rich when it comes to raising their taxes.

But when working families who are struggling every single day to make ends meet—and they are watching the Government squander their money—when we try to let them keep $1,000 more a year to invest in their own children and their own families, somehow that is unfair, somehow suddenly they are rich.

In truth, for the Democrats, anybody that works for a living is rich. Well, I think working families can do a better job. That is why I think it is absolutely imperative that we defeat this parliamentary maneuver and that we have an opportunity to vote on cutting taxes for working families. I think they deserve the tax cut. I intend to vote for it. I yield the floor.

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, I yield myself such time as I may require off the resolution. I ask the Senator from Texas if he will spend a minute with me.

Mr. GRAMM. Sure.

Mr. BOND. Talking about the taxation philosophy. I wonder if he has taken a look at the amendments presented on this budget resolution.

Does the Senator see a theme in the amendments that have been presented in this budget resolution?

Mr. GRAMM. Well, I have not looked at the numbers. I would like to be educated on it. But as I look at them, we have a minimum of six amendments where the Democrats want to raise taxes and spend the money. And the number I looked at is that the tax increase was very substantial, over $180 billion total.

Mr. BOND. I say to my good friend from Texas, I show to my other friends, just some rough calculations we have done. So far, we have six tax increases that are proposed in amendments on this budget resolution. The Senator from West Virginia, Senator ROCKEFELLER, $50 billion; Senator BOXER, $18 billion; Senator WYDEN, $1 billion; Senator KERRY, $48 billion; Senator KERRY, $6 billion; Senator BYRD, $65 billion. As we calculate that, that comes up to about $188 billion.

Mr. GRAMM. What would they do with that money?

Mr. BOND. As I understand it, I say to the Senator, that would not go for tax relief. That would go for increased spending.

Now we are getting up—the record was set, I believe, in 1993, where we had a $240 billion tax increase. We still have a few hours left on this resolution, and all we need is about, as I calculate it, about $52 billion more in tax increases, and we could go over that $240 billion.

Does the Senator think maybe there is an effort to break that record?

Mr. GRAMM. I would say, if the Senator would yield, it is their record. It was the 1993 tax increase. And let me predict, not having seen what taxes those are, I bet you all those taxes are supposedly on rich people, people that drive automobiles and trucks and people that work for a living, which by definition are rich people. In fact, anybody that is taxed is rich and anybody whose taxes you cut are rich.

Mr. BOND. I see our distinguished chairman of the Budget Committee here, whose good office is responsible for helping frame this overall budget debate. I am happy to yield to him if he has some comments on this at this time.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Parliamentary inquiry. Since I was absent, I would like to be brought current. How much time in toto is still available for both sides on the resolution?

The PRESIDING OFFICER. There are 57 minutes for the Senator from New Mexico; 56 minutes for the Senator from Nebraska.

Mr. DOMENICI. Boy, are we doing well. We must just be in sync.

Mr. EXON. We agree on something.

Mr. DOMENICI. I am going to speak to this, but I ask, in my absence has anybody come to the floor with additional amendments? Are we using time to make our points here or is somebody coming with amendments?

Mr. EXON. The Senator and I have appealed over and over again to people to come to the floor or at least call us and tell us they are not going to offer the amendments. We have heard nothing from our side of the aisle on that. If the Senator has heard of anybody on his side of the aisle, that would be a step in the right direction.

Mr. DOMENICI. We have not.

Mr. EXON. To answer the Senator's question, it would appear to me that neither Republican Senators nor Democratic Senators seem anxious to come over and claim some time to offer the amendments that they said they thought was important enough to be considered. So that is all I know about the proposition. Nothing evidently has changed, I say to the chairman of the committee.

Mr. DOMENICI. I thank the Senator very much.

I shortly will offer three amendments on behalf of Senators on this side, one of them on behalf of Senator MCCAIN and two on behalf of Senator FAIRCLOTH. Obviously we will not speak to them. They will be put on the same list for a vote when the vote comes.

Mr. President, I want to use about 2 minutes here to just make an observation and make an inquiry of the Chair.

First, I do not ask the Chair or the Parliamentarian for any information on this, but it is obvious that the Byrd rule by definition does not apply to provisions of a budget resolution. It applies to the legislative language in the reconciliation bills.

Having said that, I have a parliamentary inquiry. It is brief. If a reconciliation bill reduced revenues in the outyears beyond the period of the reconciliation bill, but as a whole did not increase the deficit by virtue of offsetting spending reductions or revenue increases, would the revenue reductions violate the Byrd rule?

The PRESIDING OFFICER. No, they would not.

Mr. DOMENICI. I thank the Chair.

Now, Mr. President, I have an amendment.

Mr. EXON. May I inquire of my colleague, we have additional debate that was on the matter before the Senate. Do you wish us to finish that or do you want to go ahead? The Senator from South Carolina also wants to speak.

Mr. DOMENICI. It will take me 3 minutes to get these amendments done.

AMENDMENT NO. 4022

(Purpose: To express the sense of the Senate regarding spectrum auctions and their effect on the integrity of the budget process)

Mr. DOMENICI. Mr. President, I have an amendment regarding spectrum openings and the effect of their integrity on the process, and I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. MCCAIN, proposes an amendment numbered 4022.

Mr. DOMENICI. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE—TRUTH IN BUDGETING.

It is the Sense of the Senate that:

(a) The Congressional Budget Office has scored revenue expected to be raised from the auction of Federal Communications Commission licenses for various services;

(b) For budget scoring purposes, the Congress has assumed that such auctions would occur in a prompt and expeditious manner and that revenue raised by such auctions would flow to the federal treasury;

(c) The Resolution assumes that the revenue to be raised from auctions totals billions of dollars;

(d) The Resolution makes assumptions that services would be auctioned where the Federal Communications Commission has not yet conducted auctions for such services, such as Local Multipoint Distribution Service (LMDS), licenses for paging services, final broadband PCS licenses, narrow band PCS licenses, licenses for unserved cellular, and Digital Audio Radio (DARS), and other subscription services, revenue from which has been assumed in Congressional budgetary calculations and in determining the level of the deficit; and

(e) The Commission's service rules can dramatically affect license values and auction revenues and therefore the Commission should act expeditiously and without further delay to conduct auctions of licenses in a manner that maximizes revenue, increases efficiency, and enhances competition for any service for which auction revenues have been scored by the Congressional Budget Office and/or counted for budgetary purposes in an Act of Congress.

Mr. MCCAIN. Mr. President, this amendment expresses the sense of the Senate that when spectrum auctions are assumed in the budget resolution, that those auctions should occur in an expeditious manner and in a manner that is most efficient. The amendment does not force the FCC to act on any fashion other than that which is most appropriate.

However, Mr. President, I am concerned that the Commission move forward with auctions.

This amendment is about much more than auctions. It is about truth in budgeting. When the Budget Committee drafts a budget plan that includes auctions, it is assumed that those auctions will take place. To the Commission's credit, it has acted to auction much of the spectrum. And to date, over $20.2 billion has been raised by auction.

But we must continue to move forward. In order for the Government's books to actually balance, we must bring in money we intend to spend.

One such example is the issue of Local Multipoint Distribution Service [LMDS]. The Commission's rulemaking proceeding on LMDS is over 3 years old. For 3 years we have been waiting for auction revenues. In the mean time, LMDS technology which was developed by American entrepreneurs is being implemented elsewhere in such places as Canada, South America, and Asia.

LMDS will provide homes and offices with video, telephony, and other interactive data transfer applications including high speed Internet connections. In residential areas, for example, LMDS could provide a family with over 60 digital TV stations, 200 video-on-demand channels, two telephone lines, and a high-speed Internet connection.

But, Mr. President, again let me repeat that this amendment is not about LMDS or any other specific service. There are other subscriptions services that are set to be auctioned that I would hope the FCC soon acts on. I would hope that the Commission move forward on those matters also and the FCC view this amendment as our imprimatur to move forward. But as I noted, this amendment is about the FCC acting in an expeditious manner in order to ensure that when the Congress assumes that money will be coming in, it is in fact coming in.

Mr. President, I want to commend the Budget Committee and its chairman for moving the issue of spectrum auctions forward. For the most part, it has been reconciliation legislation that has mandated past auctions The Budget Committee has recognized that spectrum is a public asset, that it has great value, and that the American people should not only benefit by its use, but should benefit from its sale.

Now we must ensure that the auctions the Budget Committee has the foresight to call for do indeed occur. I would hope the Congress would adopt this amendment and that the FCC would act as instructed by the Senate.

AMENDMENT NO. 4023

(Purpose: To express the sense of the Senate regarding welfare reform)

Mr. DOMENICI. Mr. President, this is proposed by Senator FAIRCLOTH and expresses the sense of the Senate that balanced budget legislation should also contain a strategy for reducing the national debt. I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. FAIRCLOTH, proposes an amendment numbered 4023.

Mr. DOMENICI. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING WELFARE REFORM.

The Senate finds that—

S. Con. Res. 57 assumes substantial savings from welfare reform; and

Children born out of wedlock are five times more likely to be poor and about ten times more likely to be extremely poor and therefore are more likely to receive welfare benefits than children from two parent families; and

High rates of out-of-wedlock births are associated with a host of other social pathologies; for example, children of single mothers are twice as likely to drop out of high school; boys whose fathers are absent are more likely to engage in criminal activities; and girls in single-parent families are three times more likely to have children out of wedlock themselves; therefore

It is the sense of the Senate that any comprehensive legislation sent to the President that balances the budget by a certain date and that includes welfare reform provisions and that is agreed to by the Congress and the President shall also contain to the maximum extent possible a strategy for reducing the rate of out-of-wedlock births and encouraging family formation.

Mr. FAIRCLOTH. Mr. President, President Clinton devoted two of his weekly radio addresses this month to the topic of welfare reform.

Like President Clinton, I was elected in 1992, and welfare reform was a key issue in my campaign. Since then I have introduced welfare reform bills in the 103d Congress and in this Congress as well.

The current impasse on welfare reform has existed since the President's second veto of welfare legislation sent to him by the Congress. I found the President's recent remarks on welfare reform to be particularly aggravating because so much agreement exists between the President and the Congress on the problems in our welfare system, and on most of the solutions, and yet bipartisan legislation passed by Congress has not become law.

In his May 4 address, the President said, ''The American people need a welfare system that honors American values: work, family and personal responsibility.''

The issues related to family and personal responsibility have been of particular interest to me. In fact President Clinton and I strongly agree on the problems in this area. On January

29 of this year, when the President appointed Dr. Henry Foster to coordinate the administration's new National Campaign to Reduce Teen Pregnancy, the President said:

This morning we want to talk about teen pregnancy, because it is a moral problem and a personal problem and a challenge that individual young people should face and because it has reached such proportions that it is a very significant economic and social problem for the United States.

He went on to say:

We know * * * that almost all the poor children in this country are living with one parent; that there are very, very few poor children, without regard to race, region or income, living in two-parent married households.

He continues by saying:

We know that there are an awful lot of good, single parents out there doing their best, but we also know it would be better if no teenager ever had a child out of wedlock; that it is not the right thing to do, and it is not a good thing for the children's future and for the future of the country.

Mr. President, I agree wholeheartedly with those points. Seventy-two percent of teenage births occur outside of marriage. I have stood here many times and emphasized that welfare reform that does not aggressively seek to reverse the rising rate of out-of-wedlock births, will not break the cycle of welfare dependency that is consuming more and more of our young people.

I have not been alone in sounding the alarm on this problem. Many of my Republican colleagues have joined me, and we have all learned from our friend, Senator MOYNIHAN, who first conducted ground-breaking research on this topic almost 30 years ago.

It is my strong belief that illegitimacy is the root cause of welfare dependency. Children raised in single parent homes are six times more likely to be poor than those raised by two parents, and girls raised in single parent homes are three times more likely to have children out of wedlock as well.

During last year's welfare reform debate, I advocated several approaches aimed at reducing illegitimacy. I supported the House efforts to limit the incentives in our current welfare program that, in effect, reward illegitimacy. I was also very proud that our welfare reform bill included a provision that I offered, which would promote and fund programs to encourage children to abstain from sexual activity before marriage.

I'll let the President finish my point on illegitimacy. In the statement that accompanied the welfare reform bill that he sent to Congress in 1994, he said ''Preventing teen pregnancy and out-of-wedlock births is a critical part of welfare reform.'' I agree.

Mr. President, in his radio addresses, the President has highlighted the agreement that exists on welfare reform and also praised the States for work they have done on their own. In his most recent radio address, the President tried to take credit for innovative reforms recently proposed by the Republican Governor of Wisconsin, Tommy Thompson.

I think it is ironic that the greatest barrier to these innovative State programs is the current Federal welfare system which requires States to negotiate a lengthy, and potentially partisan, waiver process through the Department of Health and Human Services. By refusing to sign welfare reform legislation, the President is denying States the flexibility that our welfare reform bill was designed to provide.

Even though the President seemed to have endorsed the Wisconsin plan on Saturday, today's Washington Post contained a statement from White House Deputy Chief of Staff, Harold Ickes, that details of the Wisconsin proposal would have to be changed before the Department of Health and Human Services would approve the wavier.

With all this agreement that seems to exist between the Congress and the President, why can't the American people have the welfare reform that the Congress has passed, and the President has promised them?

Mr. President, my amendment simply states that it is the sense of the Senate that if welfare reform is included in new balanced budget legislation, that those provisions contain a strategy to reduce the incidence of out of wedlock births as well as encourage the formation of two-parent families.

AMENDMENT NO. 4024

(Purpose: To express the sense of the Senate regarding reduction of the national debt)

Mr. DOMENICI. Mr. President, I send an amendment to the desk and ask for its immediate consideration. This is on behalf of Senator FAIRCLOTH referencing deficit reduction and the national debt.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. FAIRCLOTH, proposes an amendment numbered 4024.

Mr. DOMENICI. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The amendment is as follows:

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING REDUCTION OF THE NATIONAL DEBT.

S. Con. Res. 57 projects a public debt in Fiscal Year 1997 of $5,400,000,000,000;

S. Con. Res. 57 projects that the public debt will be 6,500,000,000,000 in the Fiscal Year 2002 when the budget resolution projects a unified budget surplus;

This accumulated debt represents a significant financial burden that will require excessive taxation and lost economic opportunity for future generations of the United States; therefore

It is the sense of the Senate that any comprehensive legislation sent to the President that balances the budget by a certain date and that is agreed to by the Congress and the President shall also contain a strategy for reducing the national debt of the Untied States.

Mr. FAIRCLOTH. Mr. President, this amendment would very simply express the sense of the Senate that if we enact a balanced budget plan this year—that such legislation should also contain a strategy for reducing the national debt.

The budget resolution we are debating today is a plan to balance the budget by the year 2002. But by the year 2002, our national debt will be $6.5 trillion.

Mr. President, this debt represents a massive burden on the American people and future generations of Americans. I am deeply concerned about this debt burden that we have placed on our children, grandchildren, and children yet born.

The budget resolution is a plan to end the deficit spending—which is certainly what we need. But I feel just as strongly that we need a plan to reduce this debt.

It took this country nearly 200 years to accumulate a debt of $1 trillion—and in the last 16 years the debt will have increased fivefold. This is not a Republican or Democrat issue—we don't need to assign the blame—we just need to develop a solution.

All this amendment would do is encourage the Senate—express that it is our sense that we develop proposals to deal with this massive debt burden.

POINT OF ORDER

Mr. EXON. Mr. President, I am about to yield whatever time he might need to the Senator from South Carolina.

I wish briefly to respond. How interesting it is that the debate has shifted from the very legitimate discussion that we were having here with regard to the faulty ruling of the Chair to a charge that Democrats are trying to block consideration of income tax reductions. Nothing could be further from the truth.

Just repeating irresponsible charges over and over again without providing any backup proof is nonsense. That has been an old debating technique for a long, long time. When the facts are not on your side, talk nonsense.

Mr. President, I want to get back, and I am sure my friend from South Carolina wants to get back, to the underlying problem that we have here that is far more than just one single independent ruling of the Chair. It is going to have far-reaching adverse effects on the U.S. Senate for as long as we can imagine into the future.

Instead of addressing that, the Republicans come forth with charts. They say we are trying to stop the tax cut. We are not trying to stop the tax cut. All we want is the tax cut to be brought up in the usual fashion, to be debated in the usual fashion under the usual procedures. We are trying to expose this glaring trick that the Republicans are trying, by separating their reconstruction instructions into three

separate bills. The last one with regard to tax cuts would come in September of this year, a couple months before the election. Of course, I would be the last to accuse the Republicans of playing politics with this —let me be the first.

We have just seen some charts presented here. They have done this before. They set up a straw man on fake straw and then they tear it down. They just had a list of Senators up there. They totaled up what those Senators had proposed and how much it would cost. No one has advocated raising taxes by the amount asserted from the Senator from Missouri. It is simply not the case that one can add up all of the offsets for amendments that fail. If the Senate chooses not to use an offset in one amendment, it is perfectly legitimate to try and use the same offset in a second amendment. When we do that, the Republicans set up a straw man—false numbers, false charges, false assumptions. Once again, setting up a straw man may fool the people of the United States temporarily, but not for long.

I want to correct just one more thing. I want to correct the record on the statistics used by the Senator from Texas. The share of the economy that goes to revenues to fund the Government is not at record levels. Let me repeat that: The Senator from Texas said that the share of the economy that goes to revenues to fund the Government is not at record levels. It was higher in 1969. It was higher in 1970. It was higher in 1982. Sure, sure, we would all like to have lower taxes. The question is, what should come first? What should come first, Mr. President? Balancing the budget of the United States or enacting tax cuts that we all would likely vote for once we get a balanced budget?

I yield 5 minutes to the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, you can find the first two pages of the budget resolution conference report for fiscal year 1976 referred to as the authority for the Parliamentarian's rule about reconciliation back in 1975. I ask unanimous consent to have it printed in the RECORD. The report dated April 21, 1975 was submitted by Mr. Muskie, from the committee of conference. It is only a few pages, but I think it ought to be included.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SECOND CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1976

Mr. Muskie, from the committee on conference, submitted the following conference report to accompany H. Con. Res. 466:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution

H. Con. Res. 466) revising the congressional budget for the United States Government for the fiscal year 1976, and directing certain reconciliation action, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That the Congress hereby determines and declares, pursuant to section 310(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

(1) The appropriate level of total budget outlays is $374,900,000,000;

(2) The appropriate level of total new budget authority is $408,000,000,000;

(3) The amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $74,100,000,000;

(4) The recommended level of Federal revenues is $300,800,000,000, and the House Committee on Ways and Means and the Senate Committee on Finance shall submit to their respective Houses legislation to decrease Federal revenues by approximately $6,400,000,000; and

(5) The appropriate level of the public debt is $622,600,000,000.

SEC. 2. The Congress hereby determines and declares, in the manner provided in section 301(a) of the Congressional Budget Act of 1974, that for the transition quarter beginning on July 1, 1976—

(1) The appropriate level of total budget outlays is $101,700,000,000;

(2) The appropriate level of total budget authority is $91,100,000,000;

(3) The amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $15,700,000,000;

(4) The recommended level Federal revenues is $86,000,000,000; and

(5) The appropriate level of the public debt is $641,000,000,000. And the Senate agree to the same.

Mr. HOLLINGS. Mr. President, a careful reading of this particular budget resolution finds no reconciliation instructions. How can you have reconciliation without reconciliation instructions?

I referred in my original comments to the fact that our distinguished colleague, the chairman of the Finance Committee at the time, Senator Long, wanted it to appear as reconciliation because he was trying to limit debate and limit amendments. He was probably the cleverest of all Parliamentarians around here. He always stood in the well there: "Yes, yes, Senator, I will take your amendment." He just took all these amendments, went over there, and you would never see them again. I remember it well.

But there was, as the record will show, no reconciliation—he called it and they gave him limited time, but it was not reconciliation. As chairman of the Finance Committee, he was complying with a particular bill. Just like now, under this concurrent resolution that we direct the Commerce Committee or the Armed Services Committee or any other committee, and they comply. They come up with their particular bill. That is not reconciliation.

As further authority, Mr. President, I refer to the statement made at that particular time by myself on December 3, 1980. I quote:

Every Senator who signed the conference agreement, and every Senator who votes to adopt it, has earned a share of the credit for this first historic exercise of the reconciliation power.

That was the first time we were able to pass a reconciliation bill, December 1980—there was not any kind of authority for reconciliation back in 1975.

Let me quote Mr. Henry Bellmon, ranking member at that particular time on the Republican side:

Mr. President, this truly is a historic occasion. Today we complete for the first time an important part of the Budget Act called reconciliation.

Mr. President, you cannot be more clear than that. They are using 1975, the actions taken by the chairman of the Finance Committee and a spurious ruling at that particular because there was no such thing as reconciliation instructions. Senator Long put in, as I said, and I read the particular title, a tax bill. It is a separate bill. It is not reconciliation. It is "a bill (H.R. 5559) to make changes in certain income tax provisions of the Internal Revenue Code of 1954." That is not a reconciliation bill.

Now, Mr. President, I am continually hearing from my distinguished colleague from Texas, and they run him out every now and then with the little charts, about the biggest tax increase. It is all Presidential politics—the biggest tax increase, the biggest tax increase.

Mr. President, I ask unanimous consent again that we include in the RECORD from the Washington Post an article by Judy Mann back in 1995, January 1. I ask unanimous consent the article be printed in its entirety in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post]

FIDDLING WITH THE NUMBERS

(By Judy Mann)

Gov. Christine Todd Whitman, the Republican meteor from New Jersey, had the unusual honor for a first-term governor of being asked to deliver her party's response to President Clinton's State of the Union message last week.

And she delivered a whopper of what can most kindly be called a glaring inaccuracy.

Sandwiched into her Republican sales pitch was the kind of line that does serious political damage: Clinton, she intoned, "imposed the biggest tax increase in American history."

And millions of Americans sat in front of their television sets, perhaps believing that Clinton and the Democrat-controlled Congress had done a real number on them.

The trouble is that this poster lady for tax cuts was not letting any facts get in her way. But don't hold your breath waiting for the talk show hosts to set the record straight.

The biggest tax increase in history did not occur in the Omnibus Budget Reconciliation Act of 1993. The biggest tax increase in post-World War II history occurred in 1982 under President Ronald Reagan.

Here is how the two compare, according to Bill Gale, a specialist on tax policy and senior fellow at the Brookings Institution. The 1993 act raised taxes for the next five years by a gross total of $268 billion, but with the expansion of the earned income tax credit to

more working poor families, the net increase comes to $240.4 billion in 1993. The Tax Equity and Fiscal Responsibility Act of 1982, by comparison, increased taxes by a net of $217.5 billion over five years. Nominally, then, it is true that the 1993 tax bill was the biggest in history.

But things don't work nominally. ''A dollar now is worth less than a dollar was back then, so that a tax increase of, say $10 billion in 1982 would be a tax increase of $15 billion now,'' says Gale. In fact, if you adjust for the 48 percent change in price level, the 1982 tax increase becomes a $325.6 billion increase in 1993 dollars. And that makes it the biggest tax increase in history by $85 billion.

Moreover, says Gale, the population of the country increased, so that, on a per person basis, the 1993 tax increase is lower than the one in 1982, and the gross domestic product increased over the decade, which means that personal income rose. ''Once you adjust for price translation, it's not the biggest, and when you account for population and GDP, it gets even smaller.''

He raises another point that makes this whole business of tax policy just a bit more complex than the heroic tax slashers would have us believe. ''The question is whether [the 1993 tax increase] was a good idea or a bad idea, not whether it was the biggest tax increase. Suppose it was the biggest? I find it frustrating that the level of the debate about stuff like this as carried on by politicians is generally so low.''

So was it a good idea? ''We needed to reduce the deficit,'' he says, ''we still need to reduce the deficit. The bond market responded positively. Interest rates fell. There may be a longer term benefit in that it shows Congress and the president are capable of cutting the deficit even without a balanced budget amendment.''

Other long-term benefits, he says, are that ''more capital is freed up for private investment, and ultimately that can result in more productive and highly paid workers.''

How bad was the hit for those few who did have to pay more taxes? One tax attorney says that his increased taxes were more than offset by savings he was able to generate by refinancing the mortgage on his house at the lower interest rates we've had as a result. The 1993 tax increase did include a 4.3-cent-a-gallon rise in gasoline tax, which hits the middle class. But most of us did not have to endure an income tax increase. In 1992, the top tax rate was 31 percent of the taxable income over $51,900 for single taxpayers and $86,500 for married couples filing jointly. Two new tax brackets were added in 1993: 36 percent for singles with taxable incomes over $115,000 and married couples with incomes over $140,000; and 39.6 percent for singles and married couples with taxable incomes over $250,000.

Not exactly your working poor or even your average family.

The rising GOP stars are finding out that when they say or do something stupid or mendacious, folks notice. The jury ought to be out on Whitman's performance as governor until we see the effects of supply side economics on New Jersey. But in her first nationally televised performance as a spokeswoman for her party, she should have known better than to give the country only half the story. In the process, she left a lot to be desired in one quality Americans are looking for in politicians: honesty.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. HOLLINGS. Let me ask for 2 more minutes.

Mr. EXON. I yield 2 more minutes.

Mr. HOLLINGS. I thank the distinguished Senator.

I read here: The biggest tax increase in history did not occur in the Omnibus Budget Reconciliation Act of 1993. The biggest tax increase in post-World War II history occurred in 1982 under President Ronald Reagan.

So I hope they would at least respect the truth every now and again and quit referring to the 1993 reconciliation bill as the ''biggest tax increase.'' I happened to have voted for it. It is working. It has the deficit cut in half. In fact, the deficit dropped another $30 billion since last week.

Finally, Mr. President, under this limited time on April 24, 1991, we put in a bill—''we'' being Senator MOYNIHAN of New York, Senator Kasten of Wisconsin, and the Senator from South Carolina—we put in that bill to cut $190 billion in tax cuts for working Americans. The distinguished Senator from Texas voted against it. We said, let us put Social Security on a pay-as-you-go basis. It amounted to $190 billion in tax cuts on working Americans.

You can keep running him out with his charts, but I am going to run out with his record. He had a chance to vote for it, and he voted against it.

So spare us this particular off-Broadway act that we have to watch every other day or so—the biggest tax increase, and working Americans, around the kitchen table, and who is in the wagon and who is pulling it. We are in the wagon. The Congress is in the wagon. The people outside are the ones pulling it. The President is the one that has been cutting the deficit. And thank heavens for President Clinton, the only one in town since President Johnson that has cut the deficit.

I yield the floor.

Mr. EXON. Mr. President, just to add another fact to the statement made by the distinguished Senator from South Carolina, that largest tax cut in history that he indicated came in 1982, I believe. Is that what he said?

Mr. HOLLINGS. That is correct, tax increase.

Mr. EXON. I thought it might be interesting to note that the chairman of the Finance Committee at the time of the real largest tax increase in history, chairman of the committee of jurisdiction, the Finance Committee at that time, was Kansas Senator ROBERT DOLE.

I yield 5 minutes to the Senator from North Dakota.

Mr. CONRAD. I thank the ranking member, the Senator from Nebraska.

I must say that I was surprised to see the Senator from Texas out once again railing against the Democrats in the last package that we passed, saying that it was just a tax package. It is very interesting.

The Senator from Texas is not talking much these days about deficits. He is not talking about that much anymore. He is not talking much about debt anymore because we are 6 months away from an election. The Republicans are down by double digits in the polls. And so out comes the tax bogeyman. Let us haul that one out because that one seems to work pretty well. Let us run out the tax bogeyman. Let us run him around the track a few times.

Mr. President, let us read the RECORD. First of all, the biggest tax increase occurred on their watch. They controlled the White House. They controlled the U.S. Senate. They passed the biggest tax increase. Why did they do it? Because the deficits were skyrocketing. They were out of control. So they took action.

In 1993, the Democrats, when it was on our watch—we controlled the White House, we controlled the Senate, and we controlled the House—we took action. We can be proud of the action we took because we reduced these deficits. We have reduced them sharply. Let us just look at the record.

Mr. President, this compares the records of President Clinton, President Bush, and President Reagan. This is what has happened to the deficits under these three Presidents. These are the deficits in billions of dollars starting in 1980.

Ronald Reagan was elected. The deficit was about $70 billion a year. Ronald Reagan took office. By the way, it was not just Republican control of the White House; the Republicans controlled this body as well. They controlled the U.S. Senate, and they had effective control of the U.S. House of Representatives. Because everyone remembers what budgets passed in 1981, in 1982, in 1983, it was boll weevil Democrats joining with the Republican minority in the House, joining with the Senate majority, the Republican majority in the Senate, and a Republican President.

What happened? Here is the record on deficits. The deficits exploded. They exploded under this theory of supply-side economics. They exploded under this notion that you can just cut taxes and not cut spending, and that somehow it is all going to add up. The deficits went to over $200 billion a year.

Then, we see that we had the beginning of the Bush administration, and again deficits took off. This time they reached $290 billion a year. That is what the deficit was when Bill Clinton came into office. Bill Clinton inherited a $290 billion budget deficit.

Look at the performance based on a plan that we passed in 1993 without a single Republican vote. Not one. Not one. The deficit has gone down each and every year.

This morning we were told the deficit for this year will probably come in at less than $130 billion, a dramatic reduction in the budget deficit, in part because of economic recovery and in part because of the plan that we passed in 1993. We had the courage to stand up and do what needed to be done.

Mr. President, more needs to be done. It is not going to happen with this kind of running out and saying, well, we can just cut all the revenue of the Federal Government and somehow it will all

add up. We tried that before. It failed, and it failed miserably. Debt, deficits and decline, that is the direction our friends on the other side, at least some of them, seem to be willing to take us.

Mr. President, we should never ever go back to that policy of debt, deficits and decline. That way lies ruination.

I thank the Chair and yield the floor.

Mr. EXON. May I ask a question of the Senator from North Dakota.

I appreciated the Senator's factual remarks, and just to back up what the Senator has said, that is just not a Democratic Senator saying that. That is not just a Democratic Senator saying that based on the facts. The same thing was said by the Office of Management and Budget director under President Reagan. His name was David Stockman, and he admitted publicly—and I believe wrote in a book—that it was a sham all the way through. In fact, he used the words that all of this period the Senator has just alluded to was ''fiscal carnage.'' And he admitted that it was a Republican fiscal carnage. I just wanted to emphasize that. I am just wondering if the Senator had remembered that fact.

Mr. CONRAD. I actually read David Stockman's book, and he makes very clear that this was a policy they hoped somehow would all add up, and it did not. It was a miserable failure that dug a very deep hole for this country.

Mr. President, the facts are very clear. This is the record. Nobody can dispute these numbers. This is what happened.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. CONRAD. I thank the Chair.

AMENDMENT NO. 4007

Mr. GRAHAM addressed the Chair.

Mr. EXON. Mr. President, I would like to advise the chairman of the committee we have good news; a Senator has arrived in the Chamber to talk about an amendment. The amendment was previously offered but the Senator from Florida seeks recognition, and at this time I hope we could allot him 5 minutes charged jointly against the two sides.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. DOMENICI. I have no objection to the time allocation.

Mr. GRAHAM. Mr. President, on Friday I filed amendment No. 4007, reserving the time to discuss that amendment until today. I wish to use at least 5 minutes to review this very terse but important amendment.

This amendment, Mr. President, provides that any funds which were derived by the more aggressive attack on Medicare fraud would be returned to the Medicare trust fund. We are facing two interrelated challenges. One is combating the rampant level of fraud which exists within our Medicare program and second is ensuring the solvency of the Medicare trust fund.

It has been estimated by the General Accounting Office that the rate of Medicare waste, fraud and abuse is approximately 10 percent and in some areas of the country is estimated to be twice that amount. If we could use even the more conservative estimate, an additional 2 million seniors could be served each year through Medicare just by reducing the level of Medicare fraud.

Medicare fraud ought to be the first place we look when we are considering reductions in the Medicare Program. Fraud undermines public confidence in Medicare. It is a very cost-efficient expenditure. One dollar spent on suppressing Medicare fraud on average will return in excess of $10 in reduced costs.

There are a number of solutions, many of which have been contained in legislation adopted by this Senate, which will allow for a comprehensive assault on Medicare fraud. We have prescriptions such as using the Medicare Federal hospital insurance trust fund as part of the source of financing, more effective investigations and prosecutions of Medicare fraud. It is the intent that those savings derived by that more effective effort be returned to the trust fund both to reimburse for the expenses that have come out of the trust fund for the investigations and prosecutions and also the return to the trust fund some of the money which was pilfered from it by the fraud itself.

Unfortunately, Mr. President, these efforts to assure that the savings derived by effective programs against Medicare fraud end up benefiting the trust fund for Medicare have been under assault. There are proposals, for instance, to divert these funds into new Federal spending efforts, efforts that are outside of the Medicare trust fund. There are also proposals to use it to finance new tax breaks.

As worthy as those other spending efforts or additional tax reductions might be, it is not appropriate to use funds derived from the Medicare trust fund through the efforts to suppress fraud which it finances for any purpose other than assuring the solvency of the Medicare trust fund.

So the amendment I have filed, which is amendment No. 4007, essentially establishes, as do other provisions within this budget recollection bill, a point of order which states, ''It shall not be in order for the Senate to consider any reconciliation bill, conference report or otherwise which would use savings achieved through Medicare waste, fraud and abuse enforcement activities as offsets for purposes other than improving the solvency of the Medicare Federal Hospital Insurance Trust Fund.''

So that is the essence of the amendment. It is to provide procedural protections to assure this Senate, to assure the American people, and especially to assure the over 35 million Americans who depend upon the Medicare trust fund for their hospital payments, that any funds which are pilfered from that trust fund, any funds which are used from that trust fund for purposes of effective enforcement will be for the benefit of the trust fund.

I urge adoption of this amendment. I thank the Chair. I thank my colleague.

Mr. EXON. Mr. President, I yield 2 minutes from our time to the Senator from South Carolina.

POINT OF ORDER

Mr. HOLLINGS. Mr. President, let me get right to the point of the statement I made back in 1980 when I was chairman of the Budget Committee and Mr. Giaimo of Connecticut, was chairman on the House side. Before I could get these records I put in a call to him. He is down in Florida just below Palm Beach. He verified my memory. Lots of times my memory is pretty good way back, and very precise, and then I cannot remember where I parked the car, so I always like to double check when I just speak from memory. He verified that Mr. Bellmon was the ranking member on the Senate side, and he and all the records show that the bill was not a reconciliation bill. There were not any reconciliation instructions in the fiscal '76 concurrent resolution on the budget, and the tax bill offered by Senator Long of Louisiana as the chairman of the Finance Committee was not a part of reconciliation.

I thank the distinguished Senator.

AMENDMENT NO. 3986

Mr. ABRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. ABRAHAM. I thank the Chair.

I would yield myself 5 minutes to speak on and in relation to amendment No. 3986 by Senators WELLSTONE and KERRY. This is an amendment which pertains to the violent crime reduction trust fund. It is a sense-of-the-Senate amendment. Since the time has not been yielded back, I am not in a position at this point to offer a second-degree amendment that I had considered, but I anticipate doing that at the appropriate moment.

I do want to speak in relation to this issue though because I think it is a fairly significant one. The sense-of-the-Senate amendment that has been offered talks in terms of full funding of the violent crime reduction trust fund. I think, Mr. President, we should go further than just put this in the context of a sense of the Senate. Indeed, my intention is to offer a second-degree amendment which would accomplish the goal of fully funding the violent crime trust fund by moving moneys for the years 2001 and 2002 from function 600. It is my view that we should also stop, the administration should be much more up front and much more consistent with regard to the facts concerning the COPS Program, and I think in addition that we should take action to minimize the administrative overhead in relation to the COPS Program. The second-degree amendment which I will offer tomorrow along with Senator COVERDELL would try to accomplish both of these objectives. Specifically, under the current law the violent crime trust fund is

set to expire in the year 2000, just 4 years from now.

This amendment that we intend to offer would provide the funds to keep it going to the year 2002. That would mean funds for the prison grants; the GREAT Program; Violence-Against-Women Program; violent crime reduction programs for the Justice Department; INS, DEA, FBI; funding for the immigration initiative and border control programs; Byrne grants, and the COPS Program.

We will be offering this amendment in due course to the Wellstone amendment because we feel the issue deserves more than just the sense-of-the-Senate recognition. We believe the trust fund needs to be protected. The underlying Republican budget already fully funds the trust fund. We plan to carry it forward through the year 2002.

In terms of the offset, it is our belief to fund this there would be corresponding reductions to function 600 in the budget. For those Members who might argue we should not be reducing this function below what was reported by the Senate Budget Committee, I point out that the Republican budget includes significantly more funding under function 600 in the years 2001 and 2002 than the President's budget that we voted on last week.

Specifically, over those 2 years the Republican budget currently exceeds the President's budget in the following areas: Low-income housing, $4.26 billion more; refugee and entrant assistance, $189 million more; child care and development block grants, $330 million, the WIC program, over $1 billion more, and the Commodity Assistance Program, $66 million more.

In other words, even after the amendment we would plan to bring tomorrow is adopted, the Republican budget will still provide more funding for these programs within the 600 function than the budget that the President has offered. At the same time, it would give us the ability to fully fund the violent crime trust fund.

So at this point I conclude my remarks in that I must become the Presiding Officer here. I will be yielding time to the Senator from Georgia so that he might make further comment on this. At this point I call upon him.

Mr. EXON addressed the chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, may I ask how much time the Senator from Georgia will need? We have had several speakers. We generally go back and forth. How much time does the Senator wish?

Mr. ABRAHAM. If the Senator from Delaware would like to go ahead, I think actually the Senator from Georgia will take over this seat so he can take it upon himself.

Mr. EXON. With that understanding, I am pleased to yield 3 minutes at this time to the Senator from Delaware. I believe under the rules he will be talking on an amendment, so the time should be charged on the amendment, which takes it jointly off of each side's time.

Mr. BIDEN. Mr. President, I thank the manager. I was going to respond very, very briefly to the Senator from Michigan who just spoke about the violent crime trust fund. As the author of that trust fund, I am saying I am delighted to see so many Republicans coming aboard now, having voted against the establishment of that fund.

I agree what the House did was outrageous and the proposals to cut the violent crime trust fund are equally outrageous. I want to point out, I want to remind everybody how we funded that. The Senator from Texas, Senator GRAMM, was a cosponsor of the funding of that. We cut it by agreeing to do what none of the previous Presidents had done, cut the Federal work force by 272,000 people: No new taxes. No new taxes. We funded it for 6 years.

Now I welcome the support for the trust fund and the recognition of the need for it, the recognition it may make sense to extend it beyond the 6 years for which we authorized it. The fact of the matter is, when I introduced that legislation and it was passed with six Republican votes—excuse my reference to partisanship here, but I find everybody is cutting the COPS program, they come and cut the prevention programs, there are fights on the floor here under the Republican leadership to cut the violence-against-women legislation—now I have Republican leadership talking about not only liking the trust fund but wanting to extend it another 2 years. I think that is a very worthwhile thing to do.

I hope, if there is a genuine intent to do that, we will first make sure you all sign on and we are not going to cut the trust fund now. We did not fully fund the crime bill trust fund, which is now the crime law trust fund, last year to the extent that there was money in the trust fund in 1996. The House did not fully fund the trust fund this year. We did not and are not fully funding it. The money is there. We are not spending any money that had not had the nickel dropped in the box. You take a worker's paycheck who no longer works for the Federal Government and you put it in the box and you hire a cop, you build a prison cell, you go out and deal with a serious prevention program like the drug courts, you go out and make sure you build more boys clubs and girls clubs.

So, I hope we are all singing from the same page here and that is that, A, by definition, the crime bill must be pretty good if we are extending the trust fund; B, if we are going to extend the trust fund another 2 years we should spend all that is in the trust fund for its stated purposes; and, C, I hope we are not going to decide we are going to keep kids out of crime, and trouble, and the drug stream by taking away the WIC program or taking away other programs to fund the COPS. There are better ways to do it.

But I am anxious and willing and delighted that there is the support for the full funding of the trust fund and the extension of the trust fund.

I yield the floor.

The PRESIDING OFFICER (Mr. ABRAHAM). The Senator from Georgia is recognized.

Mr. COVERDELL. Mr. President, as the manager I yield myself 3 minutes to support the statement you made, Mr. President, and the amendment to be offered tomorrow. I appreciate it, understanding the history of this from the Senator from Delaware. My support for his amendment is based in conjunction with setting of priorities. When we passed the crime bill we were told we were going to put 100,000 police officers on the street. Then, on May 12, 1996, George Stephanopoulos of the White House claimed under this COPS Program it would not be 100,000 police officers, it would be 43,000 police officers. And then on Thursday, May 16—that is just several days ago—the Attorney General, Janet Reno, stated, ''What I am advised is there are 17,000 officers that can be identified as being on the streets,'' as a result of the COPS Program. So, from 100,000 to 43,000 now we are down to 17,000 officers.

I think it is appropriate that if it is less than 20 percent of what is promised we ought to adjust the appropriation for that program, which is of course what your amendment does, Mr. President.

In reviewing the COPS officials efforts in their expenditures, I find they rented a 10-floor, 51,000 square foot office building to administer the program at a cost of $1.5 million a year. I would rather reinforce the priorities that were just enumerated by the Senator from Delaware than this typical Washington bureaucracy.

They have five full-time Washington public relations specialists. What are they there for? Do we need public relations specialists to deal with putting cops on the street? The answer is no.

In the 1995 budget, this program spent $10 million on administrative costs alone, funding 130 positions. Meanwhile the administration reduced by 100 positions the drug czar's office and only recently has indicated that would be repaired.

For fiscal year 1996 this program proposed to double—double the number of administrative officers to 310 positions. Management and administration would reach over $29 million by fiscal year 1997, under the President's proposal.

So, what we have here is a program that was much touted that would put 100,000 cops on the street; Then we said no, it is only 43,000, but the Justice Department verified that less than 20 percent, only 17 percent of that program has been fulfilled. The reason is, it is bait and switch. It gets the community into the program but then after 3 years the community is stuck with the bill.

In the meantime, the administrative support of the program has it as if we had the whole shebang out on the

street. So it is time to scale back these administrative positions, this 10-story building, this 51,000 square feet, and get the administration down to the level commensurate with the actual product that this program has produced.

I yield the floor.

Mr. BIDEN. Mr. President, I ask unanimous consent—and I will not do this again to my friend—that I have 3 more minutes.

Mr. EXON. I yield 3 minutes to the Senator from Delaware.

Mr. BIDEN. My friend from Georgia has his facts wrong, with all due respect. What the administration said was, we have already funded, of the 100,000 cops, 43,000 to date. When the Republicans were telling us we would not get 20,000, remember Charlton Heston, ''Moses,'' was on TV saying this is only 20,000 cops from the entire 6 years of the program.

We have already funded—who being recruited, being hired and being trained—43,000 cops already. Already. And because of the Biden crime bill, there are 17,000 of these 43,000 cops on the streets as we speak, with the remaining 26,000 having been funded and in the process of being recruited, hired and trained.

Now, in terms of administrative costs, I challenge any of my Republican friends to pick up the phone and call any one of their local police agencies and ask them about the bureaucratic morass in cost. We insisted this get down to a one-page application. All the cops need do is send in a one-page application. It has been the most stunningly successful nonbureaucratic program that has been around in the last 20 years.

No. 2, cost, administrative costs, 10-story building, whatever that was about. The 100,000 cops has administrative costs of just over 1 percent, just over 1 percent administrative cost for putting 100,000 cops on the street over the duration of the bill, which takes 6 years.

My Republican friends have come along with this brilliant idea of a block grant. You know what they factor in for the block grant? Three percent overhead. The 100,000 cops program is one-third or one-half below what the Republican proposal calls for in the block grant proposal. It is actually less than the block grant. This is, with all due respect, poppycock.

Folks, nobody thought a year after this program was underway we would have it going, the administration—any administration—would have it going as well as it is: 17,000 cops making arrests as we speak because of Federal funding for cops that did not exist a year and a half ago; at total of 43,000 funded being recruited, being hired and being trained as a consequence of the crime bill right now. Right now. We have not gotten to 100,000 yet. No one said that. It was always said it would take the duration of time to get to the full 100,000.

The last thing, in 3 years they are going to have to pay their own way—

Mr. COVERDELL. Will the Senator yield?

Mr. BIDEN. I will be happy to.

Mr. COVERDELL. I do not want to get into extended debate.

Mr. BIDEN. I would love to.

Mr. COVERDELL. I do want to read the quote:

> Next week, 43,000 of the 100,000 cops will be on the street.

That is the quote.

Mr. BIDEN. Mr. President, in response, that is Mr. Stephanopoulos, who knows about one-fiftieth of this as I do. He is not the Attorney General; he is not anyone. He makes mistakes on occasion. What he meant to say, I am sure, is 43,000 funded and being recruited, being hired. You get recruited and hired before you go into training. You are not on the street yet.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. BIDEN. I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. COVERDELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum and ask that it be charged equally.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. I yield 3 minutes to the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, referring again to the RECORD made back in 1975. The Parliamentarian points out the fact that Senator Muskie called it the reconciliation bill in that 1975 discourse. The truth of the matter is Senator Hartke raised that point.

Mr. President, I suggest the absence of a quorum while I search for the particular quote.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. I just reviewed the particular statement by Senator Muskie back in 1975. As I alluded in my original remarks, Senator Hartke of Indiana said, ''Where do you get that this is a reconciliation bill? There is no reference.'' Senator Muskie said, ''That is what Senator Long called it.'' He said, ''Just by calling it that, does it make it a reconciliation bill?''

I was going to read the exact quote, but I think the full RECORD should be included here at this point with respect to that special act in 1975. It is used as the authority that was a reconciliation bill. It responded to the second concurrent resolution.

You read that RECORD. Mr. Muskie came on the floor at that particular time. He was catching up with what Chairman Long of Finance was doing and was trying to justify it. But the truth of the matter is, the RECORD will clearly show that the tax bill was only in response to the second concurrent budget resolution and not any reconciliation instructions. That was brought out by Senator Hartke. The exact discourse will be included in the RECORD. I had it here.

Mr. President, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Congressional Record, Dec. 15, 1975]

Mr. MUSKIE. Mr. President, I think this might be a good point, with somewhat of a lag in floor discussion, to discuss the pending legislation, as chairman of the Budget Committee. I shall speak briefly of the relationship of the tax reductions contained in H.R. 5559 and the requirements of the congressional budget process.

The second concurrent budget resolution for fiscal year 1976, which is now binding upon Congress, provides for extension of the temporary antirecession tax cuts of 1975 at a level which will maintain current tax withholding rates until the end of June 1976. The resolution mandated the Finance and Ways and Means Committees to report such legislation—specifically, legislation which would decrease fiscal year 1976 revenues by approximately $6.4 billion less than what they would be under existing law. H.R. 5559 meets this standard.

Extension through June 30, 1976, of the temporary lower withholding rates established last spring will allow adequate time for Congress carefully to develop budget targets for fiscal year 1977 including an overall spending ceiling and revenue floor. These targets will be established in the first concurrent resolution to be adopted by Congress next May. This schedule will allow Congress to establish reasoned and accurate fiscal year 1977 spending and revenue decisions at the first available opportunity under the new congressional budget discipline. If Congress determines at that time to further extend or alter the original 1975 tax reductions, legislation to implement that decision can be enacted before the June 30, 1976, expiration date.

I would also like to take this opportunity to praise the Finance Committee, and particularly its chairman, the distinguished Senator from Louisiana, Senator LONG, for so closely integrating the vital work of the Finance Committee into the framework of the new congressional budget process. Decisions affecting Government revenue levels are vital both to eliminating future budget deficits and to maintaining the momentum toward economic recovery. Thus, the close coordination of the tax writing committees with the budget process is essential if the process is to be successful.

The fact that H.R. 5559, as reported by the Finance Committee, meets the reconciliation instruction in the second concurrent budget resolution is proof of the commitment of the Finance Committee to the successful working of the new budget process.

Since H.R. 5559 constitutes the first so-called reconciliation bill required to be reported in the Senate under the Budget Act, I would also like to explain very briefly how reconciliation bills fit into the overall budget process.

In recent months, I periodically informed the Senate as to the consistency of various bills with the budget targets established by the first concurrent resolution last spring. Subsequently, the second concurrent budget resolution has just been adopted which establishes binding overall revenue, spending, and debt figures for fiscal year 1976.

The Budget Act provides a special procedure to insure rapid enactment of legislation to bring current congressional legislative programs into line with the figures established in the second concurrent resolution. This legislation—which can affect spending authority, budget authority, revenues, or the public debt limit—is known as a reconciliation bill. After enactment of the reconciliation legislation, the focus of the budget process will shift to insuring that subsequent legislation does not breach the second resolution figures.

The Budget Act provides that legislation subsequent to a reconciliation bill will be subject to a point of order if it causes either expenditures to exceed the relevant spending ceilings or revenues to fall below the revenue floor established in the second concurrent resolution.

With respect to reconciliation bills affecting either spending or revenues, the Budget Act requires they fully carry out the reconciliation instructions given in the second concurrent resolution. The act further provides that no amendment not germane to the provisions of that reconciliation bill is in order.

Therefore, in the case of the present second resolution requirement that fiscal year 1976 revenues be reduced by approximately $6.4 billion, amendments to the reconciliation bill which would further reduce revenues more than $6.4 billion or raise revenues above the $300.8 billion set as the appropriate revenue floor for fiscal year 1976 would be out of order.

The Budget Committee looks forward to working with the Finance Committee in enforcing the revenue floor and spending ceilings after this legislation is adopted.

May I make the point that this is the point at which we move beyond persuasion, which has worked very effectively and to my satisfaction, up to this point, to the discipline of a point of order.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. MUSKIE. Yes, I yield to my good friend.

Mr. HARTKE. How does this bill, which is the pending business, become a reconciliation bill without being designated a reconciliation bill?

Mr. MUSKIE. I think that when we see an apple that looks like an apple, we call it an apple.

Mr. HARTKE. How can we say this bill is the specific reconciliation bill?

Mr. MUSKIE. If it is not that, then it is out of order, as to cutting revenues.

In the first place, I understand the manager of the bill has described it as a reconciliation bill. But beyond that, the only revenue cut that is permitted under the second concurrent resolution is a cut of $6.4 billion. If this bill is not the instrument for achieving that cut, the assumption would have to be, I guess, that a bill is coming along that would. In that case, this bill, being extraneous to that, could be held to be out of order. But I think that is a semantic discussion. We do not mandate the words. All we do is mandate the action.

When I say ''we,'' I am talking about Congress as a whole.

Mr. HARTKE. In other words, the chairman of the Committee on the Budget has made an assumption that this is a reconciliation bill.

Mr. MUSKIE. No, may I say, the chairman of the Committee on Finance has told me it is a reconciliation bill.

Mr. HARTKE. The chairman of the Finance Committee can make a statement, but that does not make it the situation. The Committee on Finance has not acted upon this being a reconciliation bill. There is no record of its being a reconciliation bill; there is no mention of it in the report as being a reconciliation bill. Therefore, I think a point of order would not be well taken in regard to any amendment, because it is not a reconciliation bill. This is a tax reduction bill.

I can see where the Senator may assume, but it is an assumption which is not based on a fact.

Mr. MUSKIE. May I make my point as simply as possible? The second resolution does not permit tax reductions beyond $6.4 billion. If the Senator chooses to say that the proposed tax reduction does not come in a legislative vehicle that could properly be described as a reconciliation bill, still, in my judgment, he cannot escape the point that if it is not that, it is, nevertheless, out of order if it exceeds $6.4 billion.

I really do not know why the Senator is chasing his own tail.

Mr. HARTKE. I am not chasing my tail. I will point out, very simply, that in my judgment, this is a case where two Senators have gotten together and agreed that this is reconciliation bill and there is nothing in the record to show that it is a reconciliation bill.

Mr. MUSKIE. May I say to the Senator, I have never discussed this with Senator LONG. If the Senator says I have gotten together with him, the only way in which we have gotten together is that the second concurrent resolution mandates a tax reduction of $6.4 billion and the chairman of the Committee on Finance has reported a bill which reduces revenues approximately $6.4 billion. In that open and nonconspiratorial way have the Committee on Finance and the Committee on the Budget ''gotten together,'' in the words of the Senator.

Mr. HARTKE. Let us avoid any conspiracy, but the fact is that I think there are not very many, if any, Senators on this floor that had the idea that this bill would not be subject to amendment, other than the fact that there was a unanimous-consent agreement, which is an entirely different proposition. The germaneness rule only comes into effect if this is a reconciliation bill.

Mr. MUSKIE. Why does the Senator not test the point? He is not going to persuade me of it.

Mr. HOLLINGS. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

AMENDMENT NO. 4025

(Purpose: To express the sense of the Senate regarding the funding of Amtrak)

Mr. EXON. On behalf of Senator ROTH, with myself as a cosponsor, I send an amendment to the desk and ask that it be considered.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON] for Mr. ROTH, for himself and Mr. EXON, proposes an amendment numbered 4025.

Mr. EXON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert the following:

SEC. . SENSE OF THE SENATE REGARDING THE FUNDING OF AMTRAK.

(a) FINDINGS.—The Senate finds that—

(1) a capital funding stream is essential to the ability of the National Rail Passenger Corporation (''Amtrak'') to reduce its dependence on Federal operating support; and

(2) Amtrak needs a secure source of financing, no less favorable than provided to other modes of transportation, for capital improvements.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) revenues attributable to one-half cent per gallon of the excise taxes imposed on gasoline, special motor fuel, and diesel fuel from the Mass Transit Account should be dedicated to a new Intercity Passenger Rail Trust Fund during the period January 1, 1997, through September 30, 2001;

(2) revenues would not be deposited in the Intercity Passenger Rail Trust Fund during any fiscal year to the extent that the deposit is estimated to result in available revenues in the Mass Transit Account being insufficient to satisfy that year's estimated appropriation levels;

(3) monies in the Intercity Passenger Rail Trust Fund should be generally available to fund, on a reimbursement basis, capital expenditures incurred by Amtrak; and

(4) amounts to fund capital expenditures related to rail operations should be set aside for each State that has not had Amtrak service in such State for the preceding year.

Mr. ROTH. Mr. President, I rise to offer a sense-of-the-Senate regarding funding for Amtrak. My amendment has a very simple and important purpose. It states that Congress should establish a secure source of financing, no less favorable than that provided to other transportation modes, for capital improvements to intercity passenger rail.

Recognizing Amtrak's severe needs for capital investment, I have introduced a bill, S. 1395, that would give Amtrak a dedicated source of funding. This legislation has already been approved by both the Senate Finance Committee and the Senate Commerce Committee. The legislation creates a new intercity passenger rail trust fund which would be funded by transferring revenues from the one-half cent excise tax that is currently going into the mass transit account. If this legislation is enacted, Amtrak would be able to use $2.8 billion over 5 years for capital improvements, and States that do not have Amtrak service would be able to fund capital expenditures related to rail operations.

Some of my colleagues have argued that taking one-half cent from the mass transit account would hurt the viability of this account. I would like

to clarify that the establishment of the intercity passenger rail trust fund would not have an adverse impact on mass transit or any other modes of transportation. There is currently a large unspent balance in the mass transit account, totaling about $10 billion. My legislation would only cost $2.8 billion over five. To ensure that the mass transit account would not be adversely affected by transferring the one-half cent, the bill provides that Amtrak would be prevented from receiving any funds from the rail trust fund if the balance in the mass transit account is insufficient to cover transit spending for the current and following fiscal years. Current projections indicate that this would not occur over the 5-year life of the rail trust fund.

Mr. Chairman, we are all working toward an Amtrak which operates without a Federal operating subsidy, which provides quality service, and which is financially stable. Amtrak now covers approximately 80 percent of its operating costs with self-generated revenue, up from just 48 percent in 1981. Yet we also know that no intercity rail passenger service anywhere in the world operates without some degree of public sector financial support.

Mr. Chairman, if Amtrak is to stay alive and become economically healthy, there is no doubt that it will need the labor and management reforms contained in the Amtrak authorization bill which I know Senators LOTT and PRESSLER and other Members hope to see enacted this year. Amtrak will need to continue to do its own internal restructuring. It will also need a dedicated trust fund to support capital needs in the same way we provide capital for highways and airports.

Investment in all modes of transportation is important, but we have gone about it in a lop-sided way. Purchasing power for Federal highway programs has increased by 48 percent from 1982 to 1996. It has increased 78 percent for aviation, but has decreased 46 percent for passenger rail. In fact, Amtrak currently receives less than 3 percent of all Federal transportation spending. To attain balance, we must balance our financial support to all transportation components, including passenger rail service.

As I have stated before, a secure source of capital funding is necessary for Amtrak's future economic health. New capital investments will allow Amtrak to operate more efficiently. With new equipment, Amtrak will attract substantial new ridership—bringing with it increased revenues and allowing Amtrak to eliminate its dependence on Federal operating subsidies. It currently costs Amtrak $60 million per year to operate and maintain its old equipment, which frequently breaks down and often requires parts to be specially made.

As a Senator living along the Northeast corridor, I cannot stress how important it is that we have intercity rail service. Depending on the Senate schedule, I ride the train almost daily between Wilmington and Washington. Without Amtrak, I would not be able to live in Wilmington and work in Washington.

Here in the Northeast, Amtrak is the dominant public carrier, with more than 10 million riders a year. Between Washington and New York it takes care of 43 percent of the combined air/rail passenger market. The need for rail service is also growing in other parts of America. For example, Amtrak service between San Diego and Los Angeles serves two million people. Routes also are growing between New York and Boston; Chicago, Milwaukee, St. Louis, and Detroit; and between Portland and Seattle. In fact, many of our rural communities are almost completely dependent on Amtrak for their transportation needs.

As someone concerned not only about the environment, but about traffic congestion, especially in the Northeast, where we lack the lands and resources for new roads, I am a proponent of Amtrak.

Simply put, Amtrak is safe, fuel efficient, speedy and the best transportation alternative for millions of Americans. It's $2.2 billion budget directly generates some 25,000 jobs nationwide, and more than than 33 million Americans across the country commute to work on Amtrak-operated systems throughout the country. I am grateful for the service Amtrak provides me and the thousands of men and women who depend every day on Amtrak.

If Congress hopes to privatize Amtrak in the next 5 years, and if we support continued intercity passenger rail service—service that is vital to both rural and urban areas—we must vote for a dedicated trust fund for Amtrak.

Mr. President, thank you and I yield the floor.

Mr. GRASSLEY. Mr. President, I rise in opposition to this sense-of-the-Senate resolution offered by the Senator from Delaware that would allow Amtrak to invade the highway trust fund for its financial wants.

Under this plan, Amtrak would divert one-half cent per gallon of the highway automobile fuel tax, from the mass transit account of the highway trust fund, and into a new trust fund designed to benefit Amtrak trains. By voting for this resolution, Senators would vote to classify much of this entirely new spending from this new trust fund as direct spending under the Budget Enforcement Act. Thus, this sense-of-the-Senate resolution resolves the Senate to both plunder the highway trust fund and create a new entitlement. Now is not the time to create new entitlements; now is the time to show our sincerity in balancing the Federal budget.

Mr. President, Senators should vote against this Amtrak resolution because it steals much needed capitol funds from our country's mass transit systems. And let me remind my colleagues that Amtrak is not the same as your local mass transit system. Both may carry significant numbers of passengers when compared to the private automobile, but the similarities end there and the differences begin. Local mass transit carries the working poor, disabled and the elderly to jobs, to local clothing and grocery stores, to medical services, and other amenities of the local community. These are people who do not have access to other modes of transportation and are highly dependent on the local mass transit system. Mass transit carries more people in 1 day than Amtrak carries in 1 year.

Let me also remind my colleagues that 60 percent of the cuts made in the fiscal year 1996 transportation appropriations came from mass transit.

Amtrak, on the other hand, has a very different ridership. A study states that ''travel on Amtrak by persons with incomes above $40,000 is 3.5 times higher than intercity buses and nearly 1.5 times higher than airlines.'' This is not the working poor trying to get to their job, or the elderly to medical care. It is all well and good to buy new scenic cruisers and build train stations in New York, but not at the expense of getting people to their jobs, or to the doctor.

Mr. President, on May 6 the White House issued a statement of administration policy on S. 1318, which reauthorized Amtrak. I as unanimous consent that that statement be entered into the RECORD after my remarks. It is clear from that statement that the administration has deep concerns about changing Amtrak's funding. In that statement the Office of Management and Budget ''strongly opposes'' providing Amtrak appropriated funds on an accelerated basis, fearing that this ''would unnecessarily increase Federal borrowing costs.'' They also oppose ''subordinating the Federal interest as a creditor in the event of a default under the section 511 loan program'' and the proposed Federal guarantee of new borrowing authority for Amtrak authorized in this legislation.

I have to ask my friend from Delaware if he intends to create a new tax to subsidize Amtrak as a follow-up to his sense-of-the-Senate resolution?

I ask this because my reading of the amendment is that revenues taken from the highway trust fund and re-routed to Amtrak shall be re-routed between the period of January 1, 1997, through September 30, 2001.

However, my reading of the Tax Code (§9503, 1996 Cumulative Annual Pocket Part, West Publishing Company, 1996.) tells me that the fuel tax for the highway trust fund expires on September 30, 1999. Thus, under current law there will be no revenues for 2 full years of this subsidy, if this subsidy were law. Indeed, under current law, the only automobile fuel tax that will survive after September 30, 1999, is President Clinton's 1993 4.3-cent-per-gallon fuel

tax increase for the general fund that so many of my colleagues in the Senate oppose.

Therefore, I again would like to ask my friend from Delaware if he intends to increase highway taxes in the future, and is this the first step toward that tax increase?

If Amtrak needs the Senate to sustain or increase a tax, then I especially urge all of my colleagues who oppose tax increases to consistently oppose this Amtrak sense of the Senate because, like all other tax increases, it will hit the pocketbooks of taxpaying Americans.

Senators should vote against this Amtrak train invasion of the highway trust fund because this proposed new Amtrak trust fund contradicts any efforts to balance the budget. Senate bill No. 1395 outlines the plan for the new Amtrak trust fund. That bill legislates direct spending from the highway trust fund, through the new Amtrak trust fund, and into Amtrak. I believe that Congress should not now be creating a new and special entitlement for Amtrak while at the same time we are reducing the growth of other more important entitlements that affect many more Americans. We in the Senate are in an historic and difficult process of offering this Nation a balanced budget. If this budget succeeds, it will be the first balanced budget enacted since 1969. While attempting to achieve a balanced budget plan for fiscal 1996, many in Congress have already made painful sacrifices. The budget resolution for 1997 requires that many of us repeat those same sacrifices. Given the choice, Mr. President, many of us might rather spend the necessary revenue offsets to increase funding for Medicare or Medicaid or for the protection of the environment. Therefore, it is inappropriate that Congress would at this same time create a new entitlement for Amtrak.

Mr. President, this Amtrak resolution further cuts against a balanced budget because it is new spending. As the second most senior Republican Member of the Senate Budget Committee, I am here to remind everyone that the highway trust funds are on the budget. Though there is a separate account for the highway trust funds, there is no separate book. Any new and additional spending for Amtrak is to feed yet another hungry mouth, and yet another break in our fiscal dam. Therefore, in our budget balancing efforts, funding Amtrak from an existing source still requires that the Senate either raise someone else's taxes, or cut someone else's spending without a thorough review. I am against both. I want to balance the budget.

Additionally, I will say that though this sense-of-the-Senate resolution regards a revenue bill, the Senate Committee on Finance has held no hearings on the underlying bill, nor has it held a general hearing on the Amtrak train's invasion of the automobile driver's highway trust fund moneys.

In summary, Mr. President, a vote in favor of this Amtrak sense of the Senate is a vote against highways and against automobile drivers. It is a vote in favor of corporate welfare and against Medicare and Medicaid beneficiaries. Indeed, this sense-of-the-Senate resolution for Amtrak is a vote against a balanced budget.

I encourage all of my colleagues to join me in voting ''no'' on this resolution to bail out Amtrak by invading the automobile driver's highway trust fund and creating new spending.

Mr. President, I ask unanimous consent that a statement of administration policy be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF ADMINISTRATION POLICY

S. 1318—AMTRAK AND LOCAL RAIL REVITALIZATION ACT

The Administration agrees with the thrust of S. 1318, to enable Amtrak to respond to consumer needs and market realities and to free itself from Federal subsidies. Although S. 1318 includes many provisions to that end, some of its provisions could impede achievement of these objectives or impose other unnecessary burdens.

The Administration is generally opposed to the imposition of arbitrary caps on punitive damage amounts, and would strongly oppose the inclusion of any provision in S. 1318 imposing such caps.

The Administration also strongly opposes the requirement that appropriated funds be provided to Amtrak on an accelerated basis. This requirement, which is not necessary to support Amtrak's operations, would shift $659 million of Federal outlays to FY 1996 that would occur, under current law, in FY 1997 and FY 1998. This would unnecessarily increase Federal borrowing costs.

In addition, the Administration strongly opposes Senate passage of S. 1318 unless it is amended to:

Delete the provisions for a permanent authorization of appropriations for the Local Rail Freight Assistance Program (LRFAP), and modifications to the section 511 loan program. The President did not request, and Congress did not provide, any appropriations for LRFAP for the current fiscal year. The rail freight industry has clearly established its ability to operate without Federal subsidies or loans. Any future decisions to subsidize the rail freight industry should be made by local State governments in the context of their overall transportation planning, not by the Federal Government.

Delete the provision which would subordinate the Federal interest as a creditor in the event of a default under the section 511 loan program. Such provisions increase the risk, and therefore the ''subsidy rate,'' of loans guaranteed under this program, thereby reducing the number of loans which could be made with the resources available.

Mr. EXON. Mr. President, just briefly, what this amendment is is a proposition that we have been talking about for a long time, to provide some funding, badly needed funding, for the Amtrak system. The amendment speaks for itself. I simply ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. EXON. I thank the Chair. I yield the floor.

How much time would the Senator from Washington like?

Mrs. MURRAY. Two minutes.

Mr. EXON. I yield 2 minutes to the Senator from Washington. Is this on an amendment or another subject?

Mrs. MURRAY. On an amendment.

Mr. EXON. On an amendment the time would be equally divided. I yield the Senator from Washington 2 minutes.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Thank you, Mr. President.

Let me just take this opportunity to also thank the ranking member of our Budget Committee, Senator EXON, for the excellent job he has done over the past several days managing the budget and being a spokesperson for all of us.

AMENDMENT NO. 3991

Mrs. MURRAY. Mr. President, I rise today to remind all of my colleagues that one of the most important amendments that we are considering tomorrow is the Kerry-Murray amendment that adds $56 billion to function 500. That is the function in the budget that covers education and the investment in our young people.

I wanted to rise today to ask unanimous consent to have printed in the RECORD articles from the Seattle PI that did a survey that shows the No. 1 issue in my home State is education. I believe this is replicated around the country. In fact, USA Today had a poll recently that said this is the No. 1 issue to voters.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Seattle Post-Intelligencer, May 20, 1996]

DAILY WORRIES CONCERN VOTERS MOST, POLL SAYS

SCHOOLS, JOBS OVERSHADOW OTHER ISSUES

(By Neil Modie)

Meat-and-potatoes concerns—taxes, jobs and the economy—loom large in the minds of Washington voters as they look toward this fall's elections. As a single issue, however, education tops them all.

A new poll, the Mood of Washington, shows the electorate cares far less about the hot-potato issues—abortion, gun control, gay rights—that apparently heat up political party caucuses, TV screens and news pages more than they do the voting booths.

Most voters polled said they feel less safe than they did four years ago. They think the public school system is declining and feel they must struggle harder to maintain their standards of living.

When family and pocketbook issues preoccupy people, they show little interest in the hot-button topics, observed Bruce Pinkleton, a public opinion researcher at Washington State University.

''When people are concerned about job security and other, related issues, then some of the other (more emotional) issues become less central to their decision making,'' said Pinkleton; who conducted the poll along with Joey Reagan, a fellow researcher who also works at WSU.

Surveyors polled 556 of the state's registered voters between April 24–30 in a collaborative project by The Associated Press

and 12 state newspapers, including the Post-Intelligencer, the Olympian, the Tacoma News Tribune, the Herald in Everett and the Sun in Bremerton.

Worry about the state of public schools is widespread. Nearly six in 10 voters polled believe public education is worse than it was four years ago. And a slightly higher number agreed that the education in Washington is underfunded.

I think education should get a better slice of the budget pie and I would be willing to pay more taxes (to pay for it),'' Judith Jenkins Harlin, a poll respondent from Redmond, said in a interview. She is a homemaker, mother and school volunteer who has been trained as a teacher.

Cricket Hamilton, an Olympia search-and-rescue officer, also thinks schools are in trouble but is unwilling to pay more taxes to let educators spend more money.

''Definitely not,'' Hamilton said. ''reading, writing, and arithmetic has to be brought back, not pottery.''

Pinkleton, the researcher, observed: ''A lot of people feel that education is underfunded, a big majority, and yet people aren't terribly excited about paying more taxes, either. So we kind of want to have our cake and eat it, too.''

The poll didn't specifically ask voters whether they would be wiling to pay higher taxes to support education. But it did affirm Washingtonians' long-standing opposition to a state income tax.

Asked if they ''would support a state-income tax if state taxes would be cut in other areas,'' 56 percent said no. Barely more than one-third replied favorably. The rest had no opinion.

When asked how important they consider education in deciding which candidate to vote for, nearly nine voters in 10 ranked important by more than three-fourths of the votes. Then came welfare reform, the candidate's moral character, a candidate's ability to work with political opponents, the environment, and illegal immigration, in that order, with each rated important by more than half those polled.

At the bottom were gun control, important to barely half the voters; abortion, mentioned by two out of five, and gay rights, cited by just over one-fourth of those polled. The voters weren't asked on which side of those issues they stood.

When the voters were asked, without mention of any specific issue, to identify the most important concerns in this fall's gubernatorial election, education again was the most-often mentioned single concern, even above such perennial worries as the economy, taxes and crime.

However, although 125 voters named education, even more—191—said, ''I don't know.''

That surprised Pinkleton.

''Clearly, issues are still developing in the minds of the voters. . . . It's still fairly early (in the campaign season),'' the researcher observed.

After education, mention of other issues dropped off steeply. Ranked below education, in order of the number of times they were mentioned, were taxes, environment and conservation, crime and law enforcement state spending and the budget, the economy, health care and unemployment and jobs.

Other issues, including welfare reform, moral issues, gay rights and prayer ranked far lower. None of the 556 voters mentioned such volatile topics as abortion or gun rights.

The responses suggested that voters trust their state government more than they trust their fellow citizens.

Asked whether they agree that ''voters usually make informed voting decisions,'' only 43 percent did. But 53 percent said they trust state government to ''side with the public interest'' in deciding between public interest and special interests.

The poll showed plenty of worry across a range of social ills.

Asked whether they agreed with the broad statement that ''deteriorating social values are responsible for today's crime problem,'' nearly eight in 10 said they did.

One who emphatically agreed was Vern Dollar, 52, a Vancouver resident, who declared: ''Our social values have decreased. All the neighbors knew one another when we moved in here 28 years ago, and I don't know the new ones who move in. . . . There's an influx of California people and they aren't very sociable, Good neighbors help neighbors.''

Despite the worry about declining social values, one finding of the poll might surprise Washingtonians aware of the Pacific Northwest's long-held reputation—bemoaned by the Rev. Billy Graham, among others—as something of a religious wasteland.

Asked whether they agreed with the statement that ''religious values play a role in my everyday decisions,''nearly two voters out of three did agree.

Religion plays the strongest role in the lives of the oldest voters, with more than seven out of 10 of those age 62 and older saying it did. But nearly six in 10 voters in the least religious age group, those 18 to 39, said religious values were part of their lives.

Conservative voters were most apt to say religion is part of their lives, and the most liberal voters were the least likely.

The poll revealed deep concerns across a broad topical spectrum. For example:

CRIME

Nearly two out of three agreed they feel less safe then four years ago, and nearly four in five favor stronger penalties for criminals.

That tough stance applied to youthful criminals, too. Asked whether they agreed with the statement that ''criminals under 18 should be exempt from the death penalty,'' six in 10 disagreed. Even a majority of voters who identified themselves as politically ''liberal'' disagreed that criminals under 18 should be exempt. However, four-fifths of voters labeling themselves ''very liberal'' said criminals that young should be exempt.

Men were less in favor of exempting criminals from the death penalty than women were, with 72 percent of men opposing that exemption while only 53 percent of women did.

''Even the death penalty is kind of a joke; it takes years and years,'' remarked Trina Henifin, 22, a Bellingham resident who was polled. ''How did they (carry out the death penalty) way back before there was the appeals system? Do it right away like they did in the old days.''

Asked whether ''state government should spend more money building prisons,'' 57 percent disagreed.

ECONOMY AND JOBS

Nearly one in four of those surveyed said they were concerned about losing their jobs. The worry was highest among people with less than a high school degree.

A majority of voters disagreed with the statement that if they lost their jobs, it would be easy to find jobs with similar pay. The least educated were most likely to be pessimistic.

And more than three voters in four agreed with the statement that they have to work harder today to maintain their standard of living than they did four years ago.

''The cost of living is higher, the cost of gas, electricity has gone, up, food too,'' said Gerald Barnett, a Spokane-area machinist and father of two, who first registered to vote last year. ''I work overtime, and that helps, but the more you make, the more they take out in taxes.''

HEALTH AND WELFARE

Asked whether they agreed that limits should be imposed on the length of time welfare recipients can receive state assistance more than eight voters in 10 said they did. And three-fourths agreed that ''welfare recipients should be forced to work'' if they receive assistance.

Without being asked specifically whether state government should pay for health care, just under three-fourths of the voters agreed that ''state make sure that health care is available to everyone.''

ENVIRONMENT, PROPERTY RIGHTS AND OTHER ISSUES

Washingtonians were lukewarm about environmental issues in their responses to several queries on the subject.

A plurality, 48 percent, disagreed with a statement that ''protecting the environment is more important than protecting jobs''—a choice that most conservationists argue society needn't make—while just under one-third agreed. The rest didn't answer. And a majority of the voters disagreed with a statement that ''government agencies do an acceptable job of balancing land use with environmental protection.''

A plurality, 49 percent, agreed that ''public money should be used to pay people when the government restricts how they use their land,'' while 39 percent disagreed.

Only one-third of the voters agreed that the state is more racially divided than it was four years ago while nearly half disagreed. More nonwhites than whites—but still less than a majority—believe the state is more divided.

A clear majority of voters, 58 percent, said ''acceptance of homosexuals or bisexuals'' should be taught in the public schools.''

But support for the teaching of other values was much higher: more than nine voters in 10 favor teaching ''acceptance of people who hold different beliefs'' and teaching ''moral courage;'' nearly as many want ''responsibility to prevent unwanted pregnancy'' taught, and nearly three-fourths support teaching ''sexual abstinence outside marriage.''

Many voters seem to yearn for the values they grew up with, values they see as eroded today.

* * * * *

[From the Seattle Post-Intelligencer, May 20, 1996]

EDUCATION RATED NO. 1 of All State Issues

(By Neil Modie)

The Mood of Washington poll confirms what the state's 1996 political candidates already seem well aware of: Voters are plenty worried about public education.

''There's just a whole different intensity about the issue this year,'' observed Terry Bergeson, executive director of the state Commission on Student Learning and a candidate for superintendent of public instruction.

So far in the still-early campaign for governor, most of the 10 major candidates—four Democrats and six Republicans—have been talking more about education than anything else, even such tried-and-true issues as the economy, taxes and crime.

That's logical, since public education, including colleges and universities, accounts for nearly 60 percent of the state general fund budget.

And candidates who survive the primary will be sharing the general election ballot with two controversial education-related initiatives dealing with school vouchers and charter schools.

Whatever the reasons, some of the candidates' and political parties' own polls are showing deep concern about the state's school system, more so than in past years.

In the Mood of Washington poll, 88 percent said education was important to them in deciding who to vote for, and four of every five in that group said it was ''very important.'' No other issue rated such a response in the survey.

''That's amazing. That's the highest I've ever seen'' in any poll, Bergeson said.

The poll was a collaborative project by The Associated Press and 12 state newspapers, including the Post-Intelligencer, the Olympian, the Tacoma News Tribune, the Herald in Everett and the Sun in Bremerton.

Nearly three in five voters polled said the quality of public education is worse today than it was four years ago. That view was strongest among the youngest and least educated voters—those in the 18-to-39 age group and with less than a high school education—as well as among the most politically conservative voters.

Slightly more than three out of five voters, and especially the youngest and the most politically liberal voters, said education is underfunded.

When voters were asked to name the most important issues in the gubernatorial election, education was mentioned most often—by a long shot.

Cheryl Causey, 49, a Mercer Island mother and a student in interior design, thinks schools have improved ''in the area of critical thinking skills rather than just role learning.''

But she is concerned about a lack of classroom discipline and ''a basic 'dumbing down' in some areas. I've read some of the textbooks used by my daughter and have found that some of the language used isn't very challenging. It plays down to a lesser intelligence and doesn't encourage the kids to really think and go beyond.''

Verna Kloehn, 73, a retired barber and Kennewick resident, thinks kids nowadays are ''damn dumb. They can't assimilate knowledge worth a darn.''

Voters' concerns about public schools had to do not only with the quality of education, but also crime and violence.

And that was a worry expressed not only in urban areas, but in smaller communities as well.

''We need more teachers, more guards,'' said Trina Henifin, 22, a Bellingham resident, ''I think it's terrible you have to have guards in schools, but you do.''

Bergeson, who directs a commission created to develop statewide academic standards, surmised that voters might think schools are worse than they were four years ago because ''people are seeing more in the news about violence in schools, about weapons.''

''It doesn't have so much to do with education'' as with safety, she said.

Bruce Pinkleton, one of two Washington State University researchers who conducted the Mood of Washington poll, suggested the concern about education might stem largely from the public's tendency ''to look to the educational system to rectify the ills of society.''

Judith Jenkins Harlin, a Redmond ''stay-at-home mom'' and school volunteer, agrees.

''I think public education has been asked to do too much, and public education doesn't turn anyone away,'' said Harlin, who is trained as a teacher. ''Teachers in public education are trying to be mother, father, social worker, teacher, legal enforcer—we are asking teachers to do too much.''

Mrs. MURRAY. I have taken the time over the last year to talk to hundreds of young people in my home State. I have talked to people, young students who are 4.0 students; I have talked to students in juvenile detention centers. The one thing they all say in common is they believe that in this country today, adults do not care about them.

Mr. President, we have an opportunity tomorrow to vote for the Kerry-Murray amendment to put dollars back into our education account and show our young people they are a priority to us. I can think of no better investment in this country to invest in the education and training of our young people.

I urge my colleagues to support that amendment. I remind my colleagues, this is a way we can make a difference for this country. I yield the floor.

Mr. EXON. I thank my friend from Washington for her kind remarks, and I thank her for the amendment she has just offered.

I yield 2 minutes to the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, once again, regarding the record and this ruling, I turn to the CONGRESSIONAL RECORD, the House of Representatives, H11693, December 3, 1980. I quote Mr. Panetta:

> It obviously is the first time that the reconciliation process itself has been implemented under the Budget Act.

Further:

> No other chairman in the history of the Budget Committee has been able to say that reconciliation has been implemented and put into place. They have passed budget resolutions. We have passed continuing resolutions of one kind or another, but this is the first time that a chairman of the Budget Committee has implemented the reconciliation process.

I yield the floor.

Mr. HEFLIN. Mr. President, I wish to express my support for the President's fiscal year 1997 budget plan. There is no one here that wants a balanced budget more than I do. The largest obstacle to sustainable, long-term economic growth is our huge national debt. This is why I support the administration's budget. President Clinton is the first President in 17 years to submit a balanced budget using the Congressional Budget Office [CBO] figures, all while protecting Medicare, Medicaid, education, the environment, and cutting taxes for middle-class families.

There has been no President with a record of deficit reduction that compares to President Clinton's. Under the President's leadership the budget deficit has been cut more than in half. Four years ago, the Nation was faced with a budget deficit of $290 billion. The CBO is now predicting a budget deficit of only $144 billion for fiscal year 1996. Also, the total spending is lower as a share of the economy than in any year since 1979. This budget continues the highly successful deficit reduction of the President's 1993 economic plan and contains billions in entitlement savings and discretionary cuts.

The President's budget guarantees the life of the Medicare trust fund for a decade without cutting it $167 billion as the Republicans have proposed. The Republican plan reduces Medicare by $50 billion more than the President's balanced budget plan. The cuts to Medicare payments that the Republicans propose will result in cost-shifting, undermine quality, and threaten the financial viability of many rural and urban hospitals. On the other hand, the President's budget restores the pre-1980 law on part A home health benefits because home health care expenditures unrelated to hospital stays should not be financed by the part A trust fund. This helps extend the life of Medicare part A trust fund. In summary, the President's proposal reforms and modernizes the program, while providing more choices to beneficiaries.

While the President's budget has moderate cuts in Medicaid, the $72 billion reduction that the Republicans propose could be drastic. This $72 billion cut could total as much as $250 billion over 7 years if States spend only the minimum required to receive their full block grant allocations. Many middle-class families depend on the Medicaid guarantee to provide for the care of their parents. If States are forced to deny coverage or restrict benefits, this could adversely affect millions of Americans that depend on such help that the program provides. Another thing that concerns me about the Republican proposal is the insistency of the repeal of Federal enforcement of nursing home quality standards. These regulations are important to the families that have to make the tough decision to place a loved one in a nursing home. On the other hand, the President's budget provides the States with great flexibility in managing their programs while guaranteeing health care for millions of Americans.

In order to reach a balanced budget, we all know decisions must be made in an effort to eliminate costs; however, these decisions must be carefully examined. This is particularly true when proposed cuts affect the educational system of our country. The Republicans want to use extreme cuts in education to balance the budget, when the President's plan shows that they are not necessary. The Republican resolution cuts education and training by $26 billion compared to 1995. The Republican plan also provides $60 billion less for education and training than the President's budget over the next 6 years. The future of our Nation depends greatly on the education that is provided to our children and the training that is available to our work force. The President's budget provides both the funding and policies needed to meet these challenges.

The President's budget also provides tax relief for the middle-class working families of America, making it easier for them to pay for education and save for retirement. The President proposes a tax credit for dependent children, a

benefit that would affect 19 million families, expanded individual retirement accounts [IRA's] to provided greater incentives for savings for retirement, and an education and job training tax deduction that would allow taxpayers to deduct up to $10,000 a year for qualified education and training expenses. The President also proposes other tax relief aimed at small businesses, such as increased expensing, estate tax benefits for closely held businesses, pension simplification, and increased health insurance deductions for the self-employed. The President's budget offsets this much needed tax relief by eliminating or reducing corporate tax loopholes and preferences that are no longer warranted.

Mr. President, I support the President's budget because this budget has a plan for balancing the budget while protecting Medicare, Medicaid, and education, along with providing a modest tax cut for middle-class Americans.

REGARDING AHCPR

Mr. FRIST. Mr. President, I would like to engage in a brief colloquy with the distinguished chairman of the Budget Committee to discuss an assumption that appears on page 52 of our report and clarify the committee's assumptions regarding the discretionary health programs contained in function 550. The language suggests that the committee is assuming a significant reduction in the budget of the Agency for Health Care Policy and Research [AHCPR]. I expressed my concerns regarding this matter during the committee's markup of the resolution.

Mr. President, I feel strongly about this Agency's mission for two reasons. First, as I pointed out during our markup, I believe that the Agency for Health Care Policy and Research has gone a long way toward reforming itself and has been responsive to the constructive criticism it received from Congress over the past year. For example, last year there was debate regarding the wisdom of AHCPR continuing to develop clinical practice guidelines now that so many medical societies, health plans, and others have begun to develop their own guidelines. AHCPR took this criticism seriously, engaged in a dialog with the health care community, and announced last month that it would no longer directly support the development of clinical practice guidelines. Instead, the Agency will work in partnership with the health care community by meeting their needs for an assessment of the scientific evidence in clinical areas for which these physicians and health plans—not AHCPR—want to develop guidelines or other quality improvement strategies. This partnership approach is a winner for all: AHCPR will concentrate on its strengths, developing and assessing science, and physicians and health plans will have the information they need to develop better, evidence-based guidelines without the implication that the Federal Government is telling them how to practice medicine.

Similarly, last year there were concerns about the multitude of overlapping data collection activities within the Department of Health and Human Services [HIS]. Despite the fact that the AHCPR has only a small, but important, role in the area of data collection, the Agency took the lead in proposing a major restructuring of its medical expenditure survey to eliminate areas of duplication with other HHS surveys.

In both cases, AHCPR has been willing to take a fresh look at its activities and critically examine its role in relationship to the private sector and other Federal agencies. We should applaud this type of initiative and responsiveness, not cripple it.

More importantly, Mr. President, I am concerned bout the potential impact on the clinical and health services research that AHCPR supports. Its mission in this area is critical to the future of our fast-changing health care system and to our efforts to restructure the Medicare program, while ensuring high quality of care. This Agency provides an important compliment to the work of the National Institutes of Health through its research on the outcomes, effectiveness, and cost-effectiveness of health care services in day-to-day practice. In the last 2 years, this Agency has come to realize its role as a science partner with the health care community and, as a result, AHCPR's work has been endorsed by every major medical, nursing, and health care organization, from the American Medical Association to the managed care industry. And from personal experience, in my work on the Medicare Program, I can testify that there are few issues on which such disparate organizations agree. AHCPR's scientific work provides clinicians and patients with the tools they need to work together to improve the quality of health care while constraining its cost.

Mr. President, at this point I would like to yield to the distinguished Chairman and ask him whether he agrees with my interpretation of our budget assumptions and my conclusion that this budget resolution assumes no reduction in funding for the critical work of the Agency for Health Care Policy and Research.

Mr. DOMENICI. I want to thank Senator FRIST for his continued efforts in this critical policy area. The Chairman's mark of the budget resolution did assume a reduction in funding for the Agency for Health Care Policy Research [AHCPR]. Funding for AHCPR was assumed to be reduced to $46 million per year, beginning in 1997. Since then, I have worked with Senator FRIST to find alternate assumptions to meet our discretionary spending targets within function 550. The resolution now assumes that funding for AHCPR will not be reduced.

Mr. CRAIG. Mr. President, I rise in support of Senate Concurrent Resolution 57, the balanced budget resolution for fiscal year 1997. I commend the hard work by the Budget Committee to bring to this floor, one more time, what the American people—and the people of Idaho—have demanded: A genuine, convincing plan to balance the Federal budget by fiscal year 2002.

This balanced budget resolution is consistent, in its principles and its details, with what I believe most citizens in Idaho want.

Like most Idahoans, I would prefer to go farther, faster. But I also recognize how far we have come in just a year and a half. In the last Congress, dominated by the President's party, we were told that $200 billion a year in deficit spending, as far as the eye could see, was the best we could do.

This budget resolution does not represent politics as usual. It looks to a brighter future of more jobs, more affordable educations, a more secure Medicare system, and real welfare reform—all within a balanced budget.

CONDUCTING THE BALANCED BUDGET GAME IN IDAHO

Mr. President, to focus in some depth on the budget priorities of Idahoans, last month, my office held a series of meetings in five locations in Idaho. We invited folks to participate in an exercise in hard choices—or, what I call the balanced budget game.

We held these in Idaho Falls, Pocatello, Twin Falls, Nampa, and Boise.

This exercise has been developed and updated regularly by the nonpartisan, nonprofit educational organization, the Committee for a Responsible Federal Budget.

In this exercise, citizens get the chance to be a Senator for a day—meeting in small groups that work much like the Senate Budget Committee during the markup of the budget resolution and walking through a 180-page workbook resembling a Budget Committee markup book.

Across the State, participants were grouped into 32 groups, or budget committees, with between 4 and 10 members each.

I've used this exercise and similar ones in the past to poll the opinions of Idahoans on budget priorities and I've told Idahoans that I would again use their responses in this exercise to fight for Idaho values in the Federal budget.

I have been reviewing in detail the individual results from each of the five cities where we held the exercise, and I am struck by the highlights that have emerged. I would like to summarize those briefly here. My office is preparing a complete analysis to send to the Idaho citizens who participated in those five cities.

IDAHO'S PRIORITY: BALANCE THE BUDGET AND SPEND LESS

This is the result that stands out: Idahoans are demanding that we balance the budget. By far, most of the Idaho groups were willing to exercise more restraint, and balance the budget faster, than most Members of Congress or the President.

In 31 out of 32 groups, Idahoans were able to agree on enough deficit reduction to balance the budget by fiscal year 2002.

This is true—31 out of 32 balanced the budget—whether you compare their results against the baseline for fiscal year 1997 or the less optimistic baseline of fiscal year 1996, which is the one that was still used in the Exercise workbook.

Thirty-one out of 32 groups saved more in spending than any budget before the Congress this year—more than the Budget Committee budget, more than the Chafee-Breaux substitute, and certainly more than the President's budget.

In fact, 31 out of 32 groups reduced spending growth more over 5 years than any Washington, DC, proposal would save over 6 years.

On average, participants in the five Idaho cities called for the following levels of policy changes in spending programs, over 5 years:

	[In billions]
Idaho Falls	$679
Pocatello	662
Twin Falls	656
Nampa	637
Boise	671
Average for all 5 cities	661

This compares with $428 billion in spending policy changes in this year's committee-reported budget, and only $274 billion in the President's budget.

DISCRETIONARY SPENDING

In the Idaho exercises, the five-city average for defense was to find $16 billion in savings over 5 years. Eight of the 32 groups voted for a $38-billion increase. These results seem to reflect the general consensus in Idaho, the Nation, and even in Washington, DC, that defense spending should not be changed greatly, in this changing and uncertain world.

All 32 groups reduced domestic discretionary spending more than any budget now being debated on the Senate floor. Of course, they came closest to the Budget Committee's budget.

In international affairs, the average 5-year savings from the Idaho groups was $15 billion, compared with $12 billion in savings in the Committee-reported budget, and with a slight increase in the President's budget.

ENTITLEMENT SPENDING

Thirty out of 32 groups would reduce total entitlement spending more than any proposal now before the Senate.

I think that result says something to those who accuse the committee-reported budget, as well as last year's Balanced Budget Act, of making draconian cuts in spending.

With great uniformity, Idaho participants supported an average of $50 billion in housing and welfare reforms over 5 years, which is more than the President's 6-year proposal—$38 billion—and almost exactly the same as the Budget Committee's 6-year figure—$54 billion. This says to me that the Senate is on track in this area.

Thirty-one of the 32 groups produced more direct savings in Medicare over 5 years than the Budget Committee budget over 5 years or the President's budget over the next 6 years. The average 5-year savings, with little variation from town to town, were $135 billion, compared with $115 billion over 5 years in the Budget Committee budget.

In addition, 28 out of 32 groups chose one or more ways to means-test entitlement benefits, including 23 groups that chose an across-the-board approach that would result in additional Medicare savings, and 2 more that voted for means-testing Medicare, specifically.

It bears repeating: Any savings from Medicare reforms will be used—by law, they must be used—to shore up a Medicare system that is now losing money. We want Medicare to be there for those who need it. It won't be there—it will be broke—in just 5 years, unless we begin reforms today. The Budget Committee budget doesn't cut Medicare. It will provide more choice and more secure benefits in an improved system.

REVENUES

With regard to taxes, I was somewhat surprised at first, but the specific options selected and the comments of a number of the participants shed some light.

A number of folks complained about static score-keeping that did not recognize that some tax cuts lead to economic activity and more tax revenues. I agree with them. But the exercise workbook estimates were based on Congressional Budget Office estimates. In both cases, the budget committees—here and in Idaho—agreed to be bound by an ''outside'' referee.

A number of folks complained that they wanted to vote for tax relief, but ran out of time, because that was the last section in the workbook. In this exercise, unlike here in Washington, DC, budget-writers did not have the luxury of ignoring the deadline to finish their work.

A number said that, while they could write a budget that got to balance faster with some revenue increases, they didn't trust that Washington, DC, would use tax increases to reduce the deficit.

And finally, support for any revenue increases was extremely scattered among a wide variety of options, with the broadest consensus on alcohol and/or tobacco excise taxes, occurring in only 13 of 32 groups.

Overall, 9 groups voted for some tax relief. Twelve groups did not vote for any tax increase, and another 6 supported very small packages less than $41 billion over 5 years, a magnitude similar to the extensions and loophole-closings that have been discussed in Congress. The median group raised revenues by only $34 billion.

CONCLUSION

Mr. President, the exercise in hard choices has been an excellent educational tool for the public, very informative for Members of Congress—certainly including this Senator, and actually very enjoyable to participate in.

I believe most everyone who attended had a positive experience. Some folks wished they could have had more time and more options. But there was understanding that the exercise was written with a limited number of options, out of consideration for the participants—all of whom gave up an entire morning, afternoon, or evening to provide me with their views.

I appreciate all the advice and help my staff and I have received from the Committee for a Responsible Budget in conducting this exercise in Idaho, especially from Carol Cox Wait, the committee's president, and Susan Tanaka, vice president.

Most of our colleagues will recognize the committee's name and work. Its board of directors includes many former Members of this and the other body, including several chairmen and ranking minority members of the Budget Committees, as well as distinguished former public officials like Paul Volcker of the Federal Reserve Board, Elmer Staats of the General Accounting Office, and Rudolph Penner and Robert Reischauer of the Congressional Budget Office.

The exercise workbook used by the Idaho participants was prepared for fiscal year 1996, because most of the 1997 budget work had not yet begun in Washington, DC, and 1997 workbooks were not yet available. But with the exception of some changes in economic and baseline assumptions, we know all too well that the 1997 budget debate is really just a continuation of the 1996 process.

Mr. HEFLIN. Mr. President, these budget proposals now being negotiated will directly affect virtually every segment of the Government and every citizen of this country.

I am strongly in support of deficit reduction and favor the elimination of the national debt over a period of time. I have long supported a balanced budget amendment to the Constitution. I supported the 1993 reconciliation bill which has already led to significant reduction in our annual deficits. However, there is a right and wrong way to pursue the same goal.

There are proposals to adjust the Consumer Pricing Index [CPI] in an attempt to correct biases in its computation. This plan is to reduce the CPI by one-half of a percentage point. I feel that this is nothing more than masquerading an attempt to cut Social Security benefits and raise taxes.

As we all know, the CPI has a major effect on Federal outlays, revenue, and the budget deficit. Outlays are affected because programs such as civil service retirement pay and Social Security benefits are adjusted so that the purchasing power of those payments will be preserved. Revenues are affected because taxes are adjusted so that increases in income are taxed at a higher

rate only if the increase exceeds inflation. Due to the significant relationship between the CPI and the budget, there has been much attention on how to contribute to the reduction of the deficit with the adjustment of the CPI.

Before we attempt to adjust the CPI, we should realize the enormous effect it will have on the senior citizens of our country. Coupled with the proposed cuts in Medicare and Medicaid, an arbitrary reduction of the CPI, which leads to a decrease in the Social Security cost-of-living adjustments [COLA's], would take a great financial toll on the elderly. Social Security recipients rely on annual COLA's to ensure that their purchasing power is not eroded by inflation. Just a small percentage reduction in the CPI can cause a substantial loss of benefits over time. Due to the compounding effect, the older one gets, the more money the beneficiary would lose. Economists have stated that the cost of living for the elderly has risen faster than other age groups. This is due to the rapid rise in health care services. It is believed that the current CPI actually understates the rate of inflation because the elderly spend such a large portion of their income on health care.

In 1987, Congress called for a study to develop an experimental index for consumers over the age of 62. This study revealed that indeed the index for this group was understated and concluded that this was due to the medical care component. This analysis was undertaken by the U.S. Bureau of Labor Statistics [BLS], the organization that computes the CPI.

Moreover, now is not the time to adjust the CPI knowing that the BLS has announced, as part of a continuing effort to update and improve the CPI, that it will be changing the way the CPI is calculated. This is estimated to reduce the CPI by approximately .3 percentage points. We should allow the experts at BLS to engage in a thorough analysis without Congress interfering.

Mr. President, as one economist stated, this is merely ''an attempt to raise taxes invisibly, and lower Social Security invisibly, while appearing only to be scientifically correct in adjusting a bias.'' Finally, using funds generated by reducing Social Security COLA's to diminish the deficit is a misuse of Social Security trust funds.

Mr. EXON. I suggest the absence of a quorum, and I ask unanimous consent that the time be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, how much time remains on the resolution?

The PRESIDING OFFICER. The Senator from New Mexico has 14 minutes and the Senator from Nebraska does as well.

Mr. DOMENICI. Would you tell me again, Mr. President?

The PRESIDING OFFICER. The Senator from Nebraska has 14 minutes and the Senator from New Mexico has 14 minutes.

Mr. DOMENICI. You must be doing something with this time, Mr. Parliamentarian. How does this happen? No matter what each side does, we have 14 minutes each. You must be right on the ball.

Mr. EXON. We control only the timekeeper.

Mr. DOMENICI. Mr. President, I have a conference report from 1975, a budget resolution, just as a matter of information with reference to various items that have been discussed today of a parliamentary nature. I ask unanimous consent that the conference report be printed in the RECORD.

There being objection, the material was ordered to be printed in the RECORD, as follows:

SECOND CONCURRENT RESOLUTION ON THE BUDGET FISCAL YEAR 1976

Mr. MUSKIE, from the committee of conference, submitted the following conference report to accompany H. Con. Res. 466:

The committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution (H. Con. Res. 466) revising the congressional budget for the United States Government for the fiscal year 1976, and directing certain reconciliation action, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

That the Congress hereby determines and declares, pursuant to section 310(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

(1) The appropriate level of total budget outlays is $374,900,000,000;

(2) The appropriate level of total new budget authority is $408,000,000,000;

(3) The amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $74,100,000,000;

(4) The recommended level of Federal revenues is $300,800,000,000, and the House Committee on Ways and Means and the Senate Committee on Finance shall submit to their respective Houses legislation to decrease Federal revenues by approximately $6,400,000,000; and

(5) The appropriate level of the public debt is $622,600,000,000.

SEC. 2. The Congress hereby determines and declares, in the manner provided in section 301(a) of the Congressional Budget Act of 1974, that for the transition quarter beginning on July 1, 1976—

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution (H. Con. Res. 466) revising the congressional budget for the United States Government for the fiscal year 1976, and directing certain reconciliation action, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

Second Concurrent Resolution on the Budget

Outlays

The House resolution provided for total outlays in the amount of $373.891 billion. The Senate amendment provided for total outlays in the amount of $375.6 billion.

The conference report provides for total outlays in the amount of $374.9 billion. Estimates of outlays by functional category of the budget is set forth below.

Budget Authority

The House resolution provided for total new budget authority in the amount of $408.004 billion. The Senate amendment provided for total new budget authority in the amount of $406.2 billion.

The conference report provides for total new budget authority in the amount of $408.0 billion. Estimates of new budget authority by functional category of the budget is set forth below.

Deficit

The house resolution provided for a budget deficit in the amount of $72.091 billion. The Senate amendment provided for a deficit in the amount of $74.8 billion. The conference report provides for a deficit of $74.1 billion.

Revenues

The House resolution provided for Federal revenues in the amount of $301.8 billion; and to achieve that level, it directed the House Ways and Means and Senate Finance Committees to reduce revenues by $5.4 billion. The Senate amendment provided for revenues in the amount of $300.8 billion; and to achieve that level it directed the Ways and Means and Finance Committees to reduce revenues by $6.4 billion.

The conference report provides for revenues in the amount of $300.8 billion; and directs the Ways and means and Finance Committees to reduce revenues by $6.4 billion. The $6.4 billion reduction of revenues is necessary to maintain the personal income tax withholding rate and extend the temporary corporate tax reductions in the 1975 Tax Reduction Act.

The managers accept the Senate position that it is unrealistic to expect this required reduction in revenues to be partially offset by $1.0 billion to be received through tax reform during the remiander of Fiscal year 1976, as contemplated in the house resolution.

Mr. DOMENICI. Mr. President, I want to say to the Senators—Senator EXON just reminded me—that there will be no votes tonight. We had not planned on any votes during the day, and nothing has changed. So when we finish here in about 20 minutes we will be finished, and we will start at 9 o'clock in the morning. We have been authorized to call the Senate into session, and we will immediately start with the amendments, establishing some order this evening. Staff on both sides will work on that. Remember that the amendments then will be voted on one after another. Maybe we will have a little recess at some point. There will be 10-minute rollcall votes. If last year is any indication of how much time it will take, we will be voting from 9 o'clock to well into the night.

I am very hopeful that we can accept some of these amendments. I am even toying with the idea—I do not know

what the Senator would think about this—if we might put all of those amendments that are sense of the Senate and just accept them all. What does the Senator think about that? We would not have any votes. We would take them all. Who knows what will happen to them?

Mr. EXON. We would want to review them. But that is an interesting proposal. Could I suggest one other thing that we might consider? We do not have to decide on that tonight. But I would like to suggest since we are going to have, once again, an awful lot of votes, would there be any likelihood that we may cut the votes down to say 7½ minutes to move things along in a more expeditious fashion, because we I think would agree tonight that we would probably have 1 minute each for explanation of each amendment.

Mr. DOMENICI. I think we may be closer to 1 minute equally divided—30 seconds each. But essentially last time we had this rather prolonged series of votes we tried to get it down to the minimum amount that would be required for the rollcall and other things, and I believe I heard Senator DOLE ask and they said they could not get it down to much under 8 minutes.

Mr. EXON. My only thought with that is that might be the case. The only trouble with 10 minutes, then it becomes 12 minutes. It is like speeders on the highway. But I am just making a suggestion to try to expedite things for the good of the body as a whole. We can discuss that later.

AMENDMENT NO. 4026

(Purpose: To express the sense of the Senate that the Economic Development Administration should place high priority on maintaining field-based economic development representatives)

Mr. DOMENICI. Now, Mr. President, I send an amendment to the desk in behalf of Senators BINGAMAN, SNOWE, COHEN, and myself and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows.

The Senator from New Mexico [Mr. DOMENICI], for Mr. BINGAMAN, for himself, Ms. SNOWE, Mr. COHEN, and Mr. DOMENICI, proposes an amendment numbered 4026.

Mr. DOMENICI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title III, add the following:

SEC . SENSE OF THE SENATE REGARDING THE ECONOMIC DEVELOPMENT ADMINISTRATION PLACING HIGH PRIORITY ON MAINTAINING FIELD-BASED ECONOMIC DEVELOPMENT REPRESENTATIVES.

(a) FINDINGS.—The Senate makes the following findings:

(1) The Economic Development Administration plays a crucial role in helping economically disadvantaged regions of the United States develop infrastructure that supports and promotes greater economic activity and growth, particularly in nonurban regions.

(2) The Economic Development Administration helps to promote industrial park development, business incubators, water and sewer system improvements, vocational and technical training facilities, tourism development strategies, technical assistance and capacity building for local governments, economic adjustment strategies, revolving loan funds, and other projects which the private sector has not generated or will not generate without some assistance from the Government through the Economic Development Administration.

(3) The Economic Development Administration maintains 6 regional offices which oversee staff that are designated field-based representatives of the Economic Development Administration, and these field-based representatives provide valuable expertise and counseling on economic planning and development to nonurban communities.

(4) The Economic Development Administration Regional Centers are located in the urban areas of Austin, Seattle, Denver, Atlanta, Philadelphia, and Chicago.

(5) Because of a 37-percent reduction in approved funding for salaries and expenses from fiscal year 1995, the Economic Development Administration has initiated staff reductions requiring the elimination of 8 field-based positions. The field-based economic development representative positions that are either being eliminated or not replaced after voluntary retirement and which currently interact with nonurban communities on economic development efforts cover the States of New Mexico, Arizona, Nevada, North Dakota, Oklahoma, Illinois, Indiana, Maine, Connecticut, Rhode Island, and North Carolina.

(6) These staff cutbacks will adversely affect States with very low per-capita personal income, including New Mexico which ranks 47th in the Nation in per-capita personal income, Oklahoma ranking 46th, North Dakota ranking 42nd, Arizona ranking 35th, Maine ranking 34th, and North Carolina ranking 33rd.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the functional totals and reconciliations instructions underlying this budget resolution assume that—

(1) it is regrettable that the Economic Development Administration has elected to reduce field-based economic development representatives who are fulfilling the Economic Development Administration's mission of interacting with and counseling nonurban communities in economically disadvantaged regions of the United States;

(2) the Economic Development Administration should take all necessary and appropriate actions to ensure that field-based economic development representation receives high priority; and

(3) the Economic Development Administration should reconsider the planned termination of field-based economic development representatives responsible for States that are economically disadvantaged, and that this reconsideration take place without delay.

Mr. DOMENICI. That amendment will take its place.

The Senator is willing to accept it. We have no objection to the amendment, and I yield back all time on the amendment.

Mr. EXON. We agree on this side.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4026) was agreed to.

AMENDMENT NO. 4002, AS MODIFIED

Mr. DOMENICI. Senator LOTT has asked that I submit an amendment to the desk with reference to Iraq oil and the amendment that heretofore had been offered.

I send it to the desk. It is a modification of his previous amendment.

I ask unanimous consent that it be in order for Senator LOTT to modify the previous amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment (No. 4002), as modified, is as follows:

At the end of title III, add the following new section:

SEC. . SENSE OF CONGRESS ON REIMBURSEMENT OF THE UNITED STATES FOR OPERATIONS SOUTHERN WATCH AND PROVIDE COMFORT.

(a) FINDINGS.—The Congress finds that—

(1) as of May 1996, the United States has spent $2,937,000,000 of United States taxpayer funds since the conclusion of the Gulf War in 1991 for the singular purpose of protecting the Kurdish and Sunni population from Iraqi aggression;

(2) the President's defense budget request for 1997 includes an additional $590,100,000 for Operations Southern Watch and Provide Comfort, both of which are designed to restrict Iraqi military aggression against the Kurdish and Sunni people of Iraq;

(3) costs for these military operations constitute part of the continued budget deficit of the United States; and

(4) United Nations Security Council Resolution 986 (1995) (referred to as ''SCR 986'') would allow Iraq to sell up to $1,000,000,000 in petroleum and petroleum products every 90 days, for an initial period of 180 days.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that the assumptions underlying the functional totals in this resolution assume that—

(1) the President should instruct the United States Permanent Representative to the United Nations to ensure any subsequent extension of authority beyond the 180 days originally provided by SCR 986, specifically mandates and authorizes the reimbursement of the United States for costs associated with Operations Southern Watch and Provide Comfort out of revenues generated by any sale of petroleum or petroleum-related products originating from Iraq;

(2) in the event that the United States Permanent Representative to the United Nations fails to modify the terms of any subsequent resolution extending the authority granted by SCR 986 as called for in paragraph (1), the President should reject any United Nations' action or resolution seeking to extend the terms of the oil sale beyond the 180 days authorized by SCR 986;

(3) the President should take the necessary steps to ensure that—

(A) any effort by the United Nations to temporarily lift the trade embargo for humanitarian purposes, specifically the sale of petroleum or petroleum products, restricts all revenues from much sale from being diverted to benefit the Iraqi military; and

(B) the temporary lifting of the trade embargo does not encourage other countries to take steps to begin promoting commercial relations with the Iraqi military in expectation that sanctions will be permanently lifted; and

(4) revenues reimbursed to the United States from the oil sale authorized by SCR 986, or any subsequent action or resolution, should be used to reduce the Federal budget deficit.

Mr. LOTT. Mr. President, on Friday, May 17, 1996, I proposed a sense-of-Senate resolution that urged the President

of the United States to ensure that American taxpayers' interests are protected by rejecting any Iraq-United Nations oil sale agreement which does not reimburse the United States for the costs of Operations Southern Watch and Provide Comfort.

To review the background leading to this amendment, several days prior to the cease-fire ending Operation Desert Storm, Iraq initiated military action against the Kurdish people in northern Iraq and the Sunni Moslems in southern Iraq. On April 5, 1991, 2 days prior to concluding the cease-fire agreement, the United Nations passed Security Council Resolutions No. 687 and 688, condemning Iraq for its repressive actions against the Kurds and Sunnis.

The Secretary General of the United States Nations then enlisted the support of the United States to engage in military operations to protect these Iraqi civilian populations against Saddam Hussein's aggression. In addition to the 15 American and 11 foreign national lives lost, the United States has spend $2.9 billion to conduct these military operations known as Provide Comfort and Southern Watch. But the cost continues to go up. The President's 1997 defense budget request includes an additional $590.1 million to continue these military operations.

On April 14, 1995, the United Nations adopted another Security Council resolution, No. 986. This resolution provides Iraq the opportunity to sell as much as $2 billion in oil and oil-related products every 6 months for the purpose of providing food and medical relief to the people of Iraq.

Yesterday, Iraq accepted the U.N. offer to sell limited supplies of oil to buy food and medicine for its people. Iraq oil could begin to flow with 30 to 60 days while American tax dollars continue to be spent to prevent Suddam's aggression against the Kurds and Sunnis. I think this is wrong.

The amendment that I offered last Friday, and have had to modify slightly because Iraq agreed to the U.N. offer, does not prevent the sale of oil or prevent efforts to relieve the humanitarian problems of Iraq. It simply states that if Iraq is going to be allowed to sell oil then the United States should recover the money our taxpayers are spending for the ultimate humanitarian assistance: military protection. Under this resolution the United Nations is recovering their costs for providing humanitarian relief. So why not recover the American taxpayers' expense for preventing Suddam's aggression?

Because the oil deal was accepted by Iraq yesterday, I have modified the amendment to state that in any subsequent extension of authority beyond the 180 days originally provided by Security Council Resolution 986, the Untied States should be reimbursed for the costs associated with Operations Southern Watch and Provide Comfort. I think the American taxpayer is entitled to some recovery from these oil sales to help offset the costs of doing what is right and doing it in conjunction with the United Nations.

Mr. President, I urge at the appropriate time that this amendment be adopted. It is a sense-of-the-Senate resolution, and I think that the American people would want us to ensure that they are reimbursed for their costs associated with Operations Southern Watch and Provide Comfort.

AMENDMENT NO. 4027 TO AMENDMENT NO. 4012

(Purpose: To adjust the fiscal year 1997 nondefense discretaionary allocation to the Appropriations Committee by $5 billion in budget authority and $4 billion in outlays to sustain 1996 post-OCRA policy)

Mr. DOMENICI. Mr. President, there is pending an amendment No. 4012 offered by Senators HARKIN and SPECTER. It is obvious that when we close up the Senate here in a few minutes and yield back the remaining time—and there is not much time remaining—there will be no further amendments that will be allowed. It means that if the Senator from New Mexico or anyone else has a second-degree amendment to any of the myriad of amendments we have in the long list, including the Harkin-Specter amendment, they would be able to offer a second-degree amendment.

And because I have an amendment, a second-degree amendment to the Harkin-Specter amendment which I want the Senate to know about, I ask unanimous consent that it be in order for me to offer the second-degree amendment tonight and get it in the RECORD with a statement. I do not think I am denying anybody anything by doing that because in just a few moments this will have ripened into a situation where when that amendment comes up, I could second degree it. So since that is the case, I ask unanimous consent that it be in order for the Senator from New Mexico to offer a second-degree amendment to the Harkin amendment.

The PRESIDING OFFICER. Is there objection?

Mr. EXON. We have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the second-degree amendment.

Mr. DOMENICI. I send the amendment to the desk.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] proposes an amendment numbered 4027 to amendment No. 4012.

Mr. DOMENICI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate places in the Harkin amendment, make the following changes:

On page 25, line 17, increase the amount by $0.

On page 25, line 18, increase the amount by $0.

On page 27, line 16, increase the amount by $300,000,000.

On page 27, line 17, increase the amount by $600,000,000.

On page 42, line 2, decrease the amount by $1,800,000,000.

On page 42, line 3, increase the amount by $700,000,000.

On page 52, line 11, decrease the amount by $0.

On page 52, line 12, decrease the amount by $0.

On page 52, line 14, increase the amount by $5,000,000,000.

On page 52, line 15, increase the amount by $1,400,000,000.

Notwithstanding any other provision of this resolution, on page 52, line 15, the amount is deemed to be $270,923,000,000.

On page 4, line 8, the amount is deemed to be $1,323,100,000,000.

On page 4, line 9, the amount is deemed to be $1,361,600,000,000.

On page 4, line 10, the amount is deemed to be $1,392,400,000,000.

On page 4, line 11, the amount is deemed to be $1,433,600,000,000.

On page 4, line 12, the amount is deemed to be $1,454,000,000,000.

On page 4, line 17, the amount is deemed to be $1,318,600,000,000.

On page 4, line 18, the amount is deemed to be $1,353,500,000,000.

On page 4, line 19, the amount is deemed to be $1,382,400,000,000.

On page 4, line 20, the amount is deemed to be $1,415,600,000.

On page 4, line 21, the amount is deemed to be $1,433,100,000,000.

On page 5, line 1, the amount is deemed to be $232,400,000,000.

On page 5, line 2, the amount is deemed to be $223,600,000,000.

On page 5, line 3, the amount is deemed to be $206,300,000,000.

On page 5, line 4, the amount is deemed to be $185,700,000,000.

On page 5, line 5, the amount is deemed to be $143,500,000,000.

On page 5, line 9, the amount is deemed to be $5,449,000,000,000.

On page 5, line 10, the amount is deemed to be $5,722,700,000,000.

On page 5, line 11, the amount is deemed to be $5,975,100,000,000.

On page 5, line 12, the amount is deemed to be $6,207,700,000,000.

On page 5, line 13, the amount is deemed to be $6,398,600,000,000.

On page 5, line 14, the amount is deemed to be $6,550,500,000,000.

On page 6, line 13, the amount is deemed to be $290,000,000,000.

On page 6, line 14, the amount is deemed to be $277,400,000,000.

On page 6, line 15, the amount is deemed to be $256,000,000,000.

On page 6, line 16, the amount is deemed to be $236,100,000,000.

On page 6, line 17, the amount is deemed to be $193,300,000,000.

On page 6, line 18, the amount is deemed to be $155,400,000,000.

On page 9, line 22, the amount is deemed to be $14,900,000,000.

On page 11, line 22, the amount is deemed to be $16,700,000.

On page 11, line 23, the amount is deemed to be $16,800,000,000.

On page 13, line 17, the amount is deemed to be $3,700,000,000.

On page 13, line 18, the amount is deemed to be $3,100,000,000.

On page 15, line 17, the amount is deemed to be $21,500,000.

On page 17, line 16, the amount is deemed to be $12,800,000,000.

On page 17, line 17, the amount is deemed to be $11,000,000,000.

On page 19, line 16, the amount is deemed to be $8,100,000,000.

On page 19, line 17, the amount is deemed to be −$2,400,000,000.

On page 21, line 16, the amount is deemed to be $42,600,000,000.

On page 21, line 17, the amount is deemed to be $39,300,000,000.
On page 23, line 15, the amount is deemed to be $9,900,000,000.
On page 23, line 16, the amount is deemed to be $10,800,000,000.
On page 29, line 10, the amount is deemed to be $193,200,000,000.
On page 29, line 11, the amount is deemed to be $191,500,000,000.
On page 31, line 3, the amount is deemed to be $232,400,000,000.
On page 31, line 4, the amount is deemed to be $240,300,000,000.
On page 38, line 8, the amount is deemed to be $13,700,000,000.
On page 39, line 25, the amount is deemed to be $282,800,000,000.
On page 40, line 1, the amount is deemed to be $282,800,000,000.
On page 40, line 7, the amount is deemed to be $289,400,000,000.
On page 40, line 8, the amount is deemed to be $289,400,000,000.
On page 40, line 14, the amount is deemed to be $293,200,000,000.
On page 40, line 15, the amount is deemed to be $293,200,000,000.
On page 40, line 21, the amount is deemed to be $294,700,000,000.
On page 40, line 22, the amount is deemed to be $294,700,000,000.
On page 41, line 3, the amount is deemed to be $298,900,000,000.
On page 41, line 4, the amount is deemed to be $298,900,000,000.
On page 41, line 10, the amount is deemed to be $303,400,000,000.
On page 41, line 11, the amount is deemed to be $303,400,000,000.
On page 41, line 17, the amount is deemed to be $348,234,000,000.
On page 41, line 18, the amount is deemed to be $351,240,000,000.
On page 41, line 19, the amount is deemed to be $348,465,000,000.
On page 41, line 20, the amount is deemed to be $349,951,000,000.
On page 41, line 21, the amount is deemed to be $351,311,000,000.
On page 41, line 22, the amount is deemed to be $352,756,000,000.
On page 42, line 8, the amount is deemed to be −$200,000,000.
On page 42, line 9, the amount is deemed to be $100,000,000.
On page 42, line 15, the amount is deemed to be −$400,000,000.
On page 42, line 16, the amount is deemed to be −$300,000,000.
On page 42, line 22, the amount is deemed to be −$800,000,000.
On page 42, line 23, the amount is deemed to be −$800,000,000.
On page 43, line 5, the amount is deemed to be −$1,200,000,000.
On page 43, line 6, the amount is deemed to be −$1,100,000,000.
On page 43, line 12, the amount is deemed to be −$3,700,000,000.
On page 43, line 13, the amount is deemed to be −$3,700,000,000.

Mr. DOMENICI. This amendment is essentially across the appropriations spectrum, that is, across all of the bills, adds $5 billion in budget authority and $4 billion in outlays for nondefense discretionary programs for the year 1997.

Mr. President, the Specter-Harkin amendment would provide $2.7 billion for the education and training and health functions using an across-the-board reduction to agency administrative budgets—both defense and nondefense—including travel and contractual obligations—to offset this additional spending.

The amendment adds back the full $2.7 billion in both budget authority and outlays for spending to these budget functions and adjusts the discretionary spending caps to reduce the defense cap and increase the nondefense cap.

I am offering a second degree amendment because I believe this amendment gets us into trouble.

By adding these funds only to education and training and health, other subcommittees will be left making difficult spending choices, endanger other priority programs, and even head toward confrontation with the President as he looks at vetoes for bills that cut important Federal programs too deeply.

This amendment provides $5.0 billion in budget authority and $4.0 billion in outlays for nondefense discretionary spending in fiscal year 1997. Every function with nondefense discretionary spending which is below a freeze is restored to a freeze level that reflects the enactment of the 1996 Omnibus Consolidated Rescissions and Appropriations Act.

Functions in the budget resolution that are above a freeze—natural resources and environment, veterans, the crime control trust fund—are left at those levels.

This freeze level differs somewhat from the budget resolution freeze level. Before the enactment of the 1996 omnibus appropriations bill, Congress had provided approximately $3.3 billion in emergency disaster funding for the Federal Emergency Management Agency, and $500 million for other disaster-related programs.

These disaster funds, which are essentially one-time emergency expenditures, are built into the post-OCRA freeze level used by the Appropriations Committees, spending more than ongoing Federal programs.

We do have to make choices as we allocate taxpayer dollars. The budget resolution makes some assumptions about where spending priorities lie. The Appropriations Committees will make their own determination and refer that allocation to the full House and Senate in the form of 13 annual appropriations bills.

Congress can accept or reject those bills, but I believe we need to be balanced in our approach to spending decisions.

Under the Harkin-Specter amendment, adding the $2.7 billion to education, training, and health would require cutting nondefense programs by another $1.2 billion.

What programs will be affected by those cuts?

WIC? Veterans health? The Environment? Housing? Agriculture? Community and rural development? Law enforcement? Basic scientific research? Transportation? The space program?

To help pay for these addbacks, defense programs would be cut by up to $1.5 billion. Again, what will be affected by this reduction? There are serious readiness and procurement underfunding problems in the defense budget, which this budget resolution seeks to address.

I believe the assumptions of the balanced budget resolution are defensible. We should not reduce defense below the level recommended in the resolution because readiness is key to a strong defense for our Nation.

Likewise, we should at least freeze non-defense spending at the 1996 level which reflects the agreement between Congress and the President in the Omnibus Appropriation Act.

I recognize that nondefense discretionary spending was the only portion of the Federal budget that significantly contributed to deficit reduction in 1996. This was due to the President's veto of the Balanced Budget Act, which included reform of major entitlement and mandatory programs.

Today, I am saying we can do better than a freeze to keep some of our priority domestic programs operating effectively in 1997. These additional amounts are offset with the administration's debt collection reforms that were not included in OCRA. I urge the adoption of this amendment.

I might just say for those who are interested in what prompts this, I have seen some early allocation of the assets given to the Appropriations Committee by the House budget resolution called technically the allocation of the money, that is, a big pot of money is divvied up, and I note that somehow or another the House appropriators seem to be saying we are going to make a couple of the subcommittees, in particular one of them, not only whole but real whole, and make sure that is not subject to any veto. We are going to put a lot of money in it. That is the labor, health and human services.

I am not arguing that point. What I am arguing at this point if that is done on a budget that was submitted for all of the appropriations, I did not assume any such thing when I worked on this budget resolution. If it had been the case and thus resulting in some subcommittees getting a 10 percent cut—Interior, which the occupant of the chair will have difficulty with. It covers the Indian people and a lot of other things getting a 7 to 10 percent cut, and others getting as much as a 25 percent cut—I would not favor the level of funding for the first year, 1997, that I did in this budget resolution.

I have just allowed for the Senate to approve some additional money. We will go to conference with the House on the budget resolution and see where it turns out. I am willing to discuss it further. There will not be a lot of time, with 30 seconds on a side, but essentially anybody who would like to talk to me about it tomorrow, I will be delighted to do that.

Mr. President, how much time is remaining?

The PRESIDING OFFICER. The Senator from New Mexico has 4 minutes.

The Senator from Nebraska has 11 minutes 40 seconds.

Mr. EXON. In view of the arrangement we have reached, I yield back the remainder of our time.

The PRESIDING OFFICER. Does the Senator from New Mexico yield back the time?

Mr. DOMENICI. Mr. President, I thank Senator EXON for his courtesies. This has been a very difficult budget resolution, in the sense that we have considered, overall, maybe more than 50 amendments. While the Senator from New Mexico thinks that many of them, being sense of the Senate and not binding on anyone, probably used an awful lot of time that was not necessary, that seems to be part of the U.S. Senate, and I am not complaining about it. But we have been here for a long time. That means we had to work together, and I think we did that very well.

To the Senators, many who cooperated in using small amounts of time so their fellow Senators would have a chance to offer their amendments with some explanation, I thank them, from both sides of the aisle, Democrat and Republican.

With that, I yield the remainder of the time on the budget.

Mr. EXON. Before you yield back, will you yield to me for just a moment? I want to return the nice compliment.

Mr. DOMENICI. Certainly.

Mr. EXON. I have always enjoyed working very closely with my friend and colleague. We are going to have a very tough day tomorrow. We are going to move things as expeditiously as we can.

At the proper time tomorrow, I will take time to publicly thank the excellent staff on this side and also the staff on that side of the aisle for being constructive and helpful all the way through. It has been, once again, a unique experience. I have appreciated the courtesy that is always extended to me by the chairman of the committee.

Mr. DOMENICI. I thank Senator EXON very much.

Let me correct something. There have been a number of requests on our side and your side for 15 minutes in the morning. So if I can correct it, we will start voting at 9:15. That is what the unanimous consent will state.

Mr. EXON. The 15 minutes will be morning business time?

Mr. DOMENICI. We will decide that later. We will be back on the budget resolution at 9:15 instead of 9 o'clock.

Mr. EXON. At 9:15.

Mr. DOMENICI. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. GRASSLEY. Mr. President, I ask unanimous consent we now have a period for morning business.

The PRESIDING OFFICER. Is there objection? Hearing no objection, it is so ordered.

UNITED STATES-UNITED KINGDOM AVIATION RELATIONS

Mr. PRESSLER. Mr. President, I rise today to discuss significant recent developments in our aviation relations with the United Kingdom. If handled properly by the administration, these developments could finally lead to full liberalization of United States/United Kingdom air service, our largest international aviation market.

Last week I spoke at some length in this body regarding my great frustration with the current state of aviation relations between our two nations. In those remarks I predicted a time would come when the British truly would want some significant aviation rights or regulatory relief from the United States. When that time came, I said I fully expect the administration to demand a very high price. I welcome reports that time may be at hand.

Mr. President, I am referring to published reports that British Airways, which presently controls a greater share of the United States/United Kingdom air service market than all United States passenger carriers combined, is close to announcing a major business alliance with American Airlines. In anticipation of that announcement, British negotiators came to Washington yesterday to assess the price tag for the regulatory relief the new alliance would require. I am pleased initial reports indicate the Department of Transportation [DOT] reaffirmed its longstanding position: Nothing short of full liberalization of the United States/United Kingdom air service market would be acceptable.

Let me emphasize a critically important point. If the administration stands firm, as I believe it must, the current restrictive United States/United Kingdom bilateral aviation agreement will be cast into the great trash heap of protectionist trade policy where it belongs. This would be very welcome news for the U.S. economy, all U.S. air carriers and consumers. If the situation is handled poorly, however, we will have to explain to future generations why we squandered our best opportunity in decades to liberalize the United States/United Kingdom air service market.

Since my remarks last week, I have been asked several questions I wish to address.

First, am I surprised my prediction has come to pass so quickly? No, not in the least. For nearly a year I touted an open skies agreement with Germany as the ideal competitive tool to pry open Britain's significantly restrictive air service market. In combination with open skies agreements already in place with 10 other European countries, the United States/German open skies agreement—which goes into full effect later this week—is having precisely that effect.

Simply put, the possible British Airways/American Airlines alliance is a competitive response to the United States/German open skies agreement and the grant of antitrust immunity to the United Airlines/Lufthansa alliance. If the Delta Air Lines alliance with three smaller European carriers is granted a final antitrust immunity order later this month, that alliance—in combination with the United and Northwest alliances—will mean nearly 50 percent of passenger traffic between the United States and the Europe will be carried on fully integrated alliances. I have predicted for some time British Airways would have no choice but to respond. It now appears to be doing so by seeking to ally itself with the strongest U.S. carrier available and, ultimately, to seek antitrust immunity for its new alliance.

Second, to what am I referring when I say the British should be required to pay a high price for the regulatory relief British Airways' new alliance would require? I believe the price tag must be nothing less than immediate open skies.

In the past, the British have been prone to redefine the term ''full liberalization'' to mean ''a balanced exchange of opportunities.'' Therefore, let me make clear what I mean when I say open skies. To avoid any misunderstanding, I believe the administration should make very clear to the British we expect at a minimum open third, fourth and fifth freedom rights for all our passenger and cargo carriers. Of course, this means that nothing less than open access to London's Heathrow Airport be included in the package.

Is this price too high? No, based on the recent history of United States/United Kingdom aviation relations, I believe it is just about right. For instance, I remember all too well how the British Government treated the United States in late 1990 and early 1991 when Pan Am was on the brink of shutting down operations and needed immediately to sell its Heathrow routes to survive. The British government showed not one iota of sympathy. Instead, at the urging of British Airways, for months the British Government squeezed our government for maximum compensation in exchange for approving that transaction as well as the sale of TWA's Heathrow routes. I hope we remember well the lessons of the so-called Heathrow succession agreement.

Is it realistic to demand the British Government open Heathrow airport to our carriers? Absolutely. The British always seem able to find space at Heathrow for non-U.S. carriers who pose less of a competitive challenge to British carriers. For instance, according to DOT, 24 of the airlines operating at Heathrow in July 1995 did not have